

# **HUMAN RESOURCE MANAGEMENT**

*(A study on the organizational commitment and its impact on performance of co-operatives in the U.T. of Pondicherry)*

*Thesis submitted to Pondicherry University in partial fulfilment of the requirements for the award of the degree of*

**DOCTOR OF PHILOSOPHY  
in  
COMMERCE**

*by*

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*Under the guidance and Supervision of*

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*Dedicated to*  
*My beloved mother Tmt. **Navaneetham** (late)*  
*and to my teacher*  
*Prof. (late) **D. Rajagopalan**,*  
*Pondicherry University.*



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## **Certificate**

Certified that this thesis entitled **HUMAN RESOURCE MANAGEMENT - A Study on the Organisational Commitment and its impact on Performance of Cooperatives in the Union Territory of Pondicherry**, is a record of bonafide research work done independently by **Shri. K. Balaji @ Mathimaran** under my guidance and supervision and that it has not previously formed the basis for the award of any degree, diploma, associateship or fellowship to him.

He is permitted to submit the thesis to the university.

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I, **K. Balaji @ Mathimaran** declare that this thesis entitled **HUMAN RESOURCE MANAGEMENT - A Study on the Organisational Commitment and its impact on Performance of Cooperatives in the Union Territory of Pondicherry**, is a bonafide research work done by me during the course of my research and that the thesis has not previously formed the basis for the award of any degree, diploma, associateship, fellowship of other similar title or recognition.

Place : Pondicherry

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## **ABBREVIATION**

<b>AGM</b>	- Assistant General Manager
<b>Agri.</b>	- Agricultural
<b>Asst.</b>	- Assistant
<b>BKG</b>	- Banking
<b>CAGR</b>	- Combined Annual Growth Rate
<b>CCIs</b>	- Co-operative Credit Institutions
<b>CCS</b>	- Cooperative Credit Societies
<b>CMP</b>	- Common Minimum Programme
<b>DCCBs</b>	- District Central Cooperative Banks
<b>DTERT</b>	- Directorate of Teacher Education Research and Training
<b>ECCS</b>	- Employees Co-operative Credit Societies
<b>ECRC</b>	- Environmental Change Research Centre
<b>ESOP</b>	- Employee Stock Option Plan
<b>FAO</b>	- Food and Agricultural Organisation
<b>FMDI</b>	- Fertilizer Marketing Development Institute
<b>FSCS</b>	- Financial Services Compensation Scheme
<b>GDP</b>	- Gross Domestic Product
<b>GOI</b>	- Government of India
<b>HRD</b>	- Human Resource Development
<b>HRM</b>	- Human Resource Management
<b>ICA</b>	- International Co-operative Alliance
<b>ICSSR</b>	- Indian Council of Social Science Research
<b>IFFCO</b>	- Indian Farmers' Fertilizer Cooperative Ltd.,
<b>IIM</b>	- Indian Institute of Management
<b>Inspn.</b>	- Inspection
<b>IRMA</b>	- Institute of Rural Management Anand
<b>JBY policy</b>	- Janashree Bima Yojana Group Insurance Policy
<b>KCC</b>	- Kisan Credit Card
<b>KRIBHCO</b>	- Krishak Bharati Cooperative Ltd.,



<b>LAMPS</b>	- Large Sized Adivasi Multi Purpose Societies
<b>NABARD</b>	- National Bank for Agriculture and Rural Development
<b>NCCF</b>	- National Cooperative Consumer's Federation
<b>NCDC</b>	- National Cooperative Development Corporation
<b>NCF</b>	- National Cooperative Federations
<b>NCHF</b>	- National Cooperative Housing Federation
<b>NCUI</b>	- National Co-operative Union of India
<b>NCUI</b>	- National Cooperative Union of India
<b>NDC</b>	- National Development Council
<b>NDDB</b>	- National Dairy Development Board
<b>NGO</b>	- Non-Governmental Organisation
<b>NLCF</b>	- National Labour Cooperative Federation
<b>NPA</b>	- Non-Performing Assets
<b>OC</b>	- Organisational Commitment
<b>ODI</b>	- Organization Development Intervention
<b>PACS</b>	- Primary Agriculture Credit Societies
<b>PAIS</b>	- Personal Accident Insurance Scheme
<b>PAS</b>	- Performance Appraisal System
<b>PONTEX</b>	- Pondicherry State Weavers Co-operative Society
<b>PSCB</b>	- Pondicherry State Cooperative Bank
<b>RBI</b>	- Reserve Bank of India
<b>RRB</b>	- Regional Rural Bank
<b>SAO</b>	- Seasonal Agricultural Operation
<b>SCBs</b>	- State Cooperative Banks
<b>SHGs</b>	- Self Help Groups
<b>UN</b>	- United Nation
<b>UNO</b>	- United Nation Organisation
<b>U.T. of Puducherry</b>	- Union Territory of Puducherry
<b>VAMNICOM</b>	- Vaikunth Mehta National Institute for Cooperative Management

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# **CHAPTER – I**

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## **Chapter-I**

### **INTRODUCTION**

In the modern era, it is increasingly realized that people working in organizations have their own needs, motivations and expectations, and that their contribution to the organization is more than that of any other resource being used. No organization can be run successfully unless the human resource is managed well. The proficiency of the human factor in accomplishing things can be improved and there by organizational effectiveness can be achieved.

Human Resource Management is the systematic planning and control of a network of fundamental organizational processes affecting and involving all organizational members and the processes include human resource, planning, job and work design, job analysis, staffing, training and development, performance appraisal and review, compensation and reward, employee protection and representation and organizational improvements.<sup>1</sup>

Successful corporate leaders recognize that their competitive edge in today's market is their people. They also acknowledge that few organizations know how to manage human resources effectively, because traditional management models are inappropriate in today's dynamic work environment.<sup>2</sup> As Storey (1989)<sup>3</sup>, notes the term HRM is shrouded in managerial hype and its underlying philosophy and characters are not easily defined. But it obviously needs a definition of the subject matter if anyone is to analyse and understand HRM policies and practices. "HRM is that part of the management process that specializes in the management of people in work organization which emphasizes that employees are the primary resource for gaining sustainable competitive advantage, that human resource activities need to be integrated with the corporate strategy, and that human resource specialist should help organization controller, to meet both efficiency and equity objectives."<sup>4</sup>

The relationship between people and their work is multi-faceted and complex, and have for long attracted the attention of social scientists. Behavioural scientists have extended considerable effort in identifying the factors which influence a variety of employee behaviours in organizational settings. Scores of organizational and personal characteristics have been examined in isolation and in interaction with one another, as possible predictors of employee behaviour. **Organizational commitment** has gained the attention of sociologists and psychologists in the past decade as one such variable. Porter (1947)<sup>5</sup> has suggested that Organizational Commitment may be a construct which has the potential of establishing reliable linkages between behavior and other attitudes. Organizational Commitment has grown recently and as such studies on this construct have been concerned with developing the measures of Organizational Commitment and identifying the performance and outcome of it.

### **Statement of the Problem**

The most precious resource of any organization is its human resources and hence it is on their performance the manager depends for its success. The efficiency of an organization depends to a greater extent on the proper utilization of its human resources. Efficient and effective HRM have become the key to the excellent performance of an organization. Today, Cooperative movement faces a number of challenges like lack of internal resources and poor mobilization of external resources, inadequate infrastructure, apathy of members towards management, lack of accountability, increasing sickness, dormancy, low level professionalism, excessive government control, political interference, dominance of vested interests over the management, lack of human resources development, education and training.<sup>6</sup> The Government of India announced a National Policy on Cooperatives in 2002. The ultimate objective of the National Policy is to provide support for promotion and development of cooperatives as autonomous, independent and democratic organizations so that they can play their due role in the socio-economic development of the country. The Policy further aims at reduction of regional

imbalances and strengthening of cooperative education, training and human resource development for professionalisation of cooperative management. It recognizes the distinct identity of cooperatives and seeks to support their values and principles by catalysing States to provide them an appropriate administrative and legislative environment.<sup>7</sup>

Once the former Prime Minister, **Shri. Rajiv Gandhi** stated, “the real strength of the country lies in the development of the human mind and body.” It was also rightly expressed by an eminent philosopher of China, **Kuang Chung Trum** during the 7<sup>th</sup> century B.C.

“If you wish to plan for a year, sow seeds;  
If you wish to plan for ten years, plant trees;  
If you wish to plan a life time, develop men”

India is a very big country with a population of different and diverse backgrounds. Any organization will have a combination of various parts of the country. The value system of the people of India is rapidly changing due to rapid changes in the education system, technology and marketing conditions. Thus, it is felt to rehumanise the society due to very high aspirations and ambitions of the people.<sup>8</sup>

A committed work force is one that is pulling together, with everyone doing their best, and getting satisfaction from the common effort to do as well as possible. Apart from the socio-economic political factors, there are other fundamental forces in the business environment which make it imperative on business houses towards greater reliance on commitment. To be successful in the coming ages, the managers must respond to the following forces and meet the threefold challenges of learning to:

1. Manage people whose output is becoming more difficult to monitor or control.

2. Manage increasing technological complexity and create a climate in which people will understand and welcome technological development.
3. Manage to achieve higher level of performance and innovation than hitherto.<sup>9</sup>

Values are some basic aspirations of mankind applicable everywhere, all the time. They will ever remain so, today and thousand years hence, as long as human “makeup” is the same. The proponents of cooperative movement discovered that human society can be better with equality, fraternity, esprit de corps, equity, free from conflict and exploitation, peace, prosperity and happiness, if people conduct their affairs on cooperative basis. These virtues will automatically emerge in true cooperatives. The value to be cherished by a cooperator is “cooperatives” based on “mutuality” in true spirit.<sup>10</sup>

There are however several pitfalls. Poor infrastructure, lack of quality management, over-dependence on government, lack of strong human resources policy, neglect of professionalism, etc. are the limiting factors. Cooperatives are also unable to evolve strong communication and public relations strategies which can promote the concept of cooperation among the masses.

In the year of centenary celebrations, the cooperatives should look back at their achievements with pride. However, they should also push forward by developing effective strategies for overcoming existing weaknesses and for continuing growth of the sector.<sup>11</sup>

Cooperative credit institutions came into existence as a mechanism for pooling of resources in rural areas and for providing easy credit access to the rural people. But in course of time their financial health has declined considerably. The reasons may be (a) undue State interference and

politicization, and (b) poor quality of management. At present, these institutions are facing a host of problems such as - poor resource base, dependence on external funding, excessive State intrusion, multiplicity of control, huge accumulated losses, low recovery, lack of business initiatives and regional disparity. Around half of the Primary Agriculture Credit Societies (PACS), a fourth of the intermediate tier, viz., the District Central Cooperative Banks (DCCBs), and under a sixth of the State level apex institutions, viz., the State Cooperative Banks (SCBs) are making losses. The accumulated losses of the system aggregate over Rs.9,100 crore. Non-Performing Assets (NPA) as a percentage of loans outstanding at the level of SCBs and DCCBs, at the end of March 2006 were around 16% and 20% respectively. These institutions do not, therefore, inspire confidence among existing and potential members, depositors, borrowers and lenders.<sup>12</sup>

It may be pertinent to quote the concern of the Hon'ble Prime Minister Dr. Manmohan Singh's expression in 2004, while announcing the formation of the Task Force on revival of rural cooperatives. *"In spite of the large coverage of the co-operative movement, there are many challenges that face this sector and these will have to be faced. There is, for example, a great degree of variability in the spread and depth of coverage of the cooperative movement. In some places and in some States, one notices an intense and active presence of cooperatives whereas in others, they have not even scratched the surface of their potential. Many places, unfortunately, have cooperatives only on paper, with a complete absence of the cooperative spirit. Even where they exist, their financial and business strength varies substantially. This leads one to wonder- why do cooperatives not succeed and blossom in the climate and the soil of some of our States? Why is the performance of cooperatives so variable across activities, across sectors, and across regions? The answers to these questions lie in the seeds for future productive and creative action."*<sup>13</sup>

A majority of the cooperatives look towards government patronage both for business as well as for their capital requirement. In this regard, two areas of concern stand out prominently:



*(i) Bureaucratization and Government control* – When the colonial rulers officially brought the cooperatives to India, they created the post of the “**omnipotent**” **Registrar of Cooperative Societies**, a position specially designed by the government with a view to operating the final levers of control over these institutions and not allowing the cooperative sector to blossom as a people’s movement. The government of Independent India, while championing the cause of cooperatives, not only retained this key position but also further added a complex hierarchy of bureaucratic power to the existing structure. Existence of such a government controlled cooperative infrastructure has gone against the very logic of the cooperative movement.<sup>14</sup>

*(ii) Politicization of cooperative leadership* – The Boards of a majority of cooperative bodies are dominated by politicians. They are cooperators by default. Many of them are in cooperatives because they want to use this position as a stepping stone for their political ambitions. And there are some who join this sector because their current political standing has gone down.<sup>15</sup>

Cooperative is to be developed around their needs, policies are to be designed according to their views and the administration is to be carried out through member participation. But, in practice, cooperatives in India have not adhered to the above norms. In the context of the emerging global integration, it is being felt that the pressures of globalization in the country will have to be addressed to a large extent through upscaling of self-help/cooperative initiatives.<sup>16</sup>

Hence, it is observed that the most important need of the co-operative organizations is to improve the efficiency of their staff at all levels to raise the overall managerial competence. **The efficient functioning of a co-operative organization mainly depends upon the commitment and competence of the employees.** These statement shows that the HRM in general or organizational commitment in particular is lacking in co-operative’s in India, and that is the

case in Pondicherry also. Therefore, there is a need for studying the real organizational commitment prevalent among the employees in the co-operatives in Pondicherry, and its consequential performance.

It has been an experience observed in most cooperatives in recent years that the initial zeal and enthusiasm that is found in starting a cooperative and the increasing trend towards application of cooperative form of organization to newer areas of human activities, is not matched by sound and proper knowledge and appreciation of cooperative values and principles underlying it. The consequential results are obvious. Hence, there is a greater need for correct interpretation as well as accurate and timely communication of the cooperative values, principles and ideals to all cooperative functionaries.<sup>17</sup>

The problems and challenges that cooperatives face today are numerous. The problems are further compounded by two important external factors-namely politicization of cooperatives and the control/interference by governments.<sup>18</sup> This aspect is dominant in management of Cooperatives in Pondicherry. The co-operative organizations in the UT of Pondicherry have neglected the HRM. No scientific methods of selection, training and placement are followed in the co-operatives. The result is widespread dis-satisfaction among the employees causing a low level of performance in the organization, creating/providing lower level of job satisfaction. This may also affect the motivation of the employees to work. It inevitably leads to the decline in their commitment towards the organization. Hence the study of "Human Resource Management in Co-operatives" (A Study on the Organizational Commitment and its impact on Performance of Cooperatives in the UT of Pondicherry) seeks to provide an insight into the human resource management practices prevalent in the co-operative sector and to help identify the characteristic of HRM mechanisms which influence Organizational Commitment and also pave the way for employing measures that will enhance the level of performance.

## **Importance of the Study**

Many of the co-operative societies in the country and the state are running at losses. The performances of co-operative societies are not up to the expectations of the user members. The lack of Organizational Commitment and the inefficiency arising out of it is reflected everywhere. This may lead to low productivity, high turnover and to the decline of profitability and the overall performance of the co-operatives.

It is the performance of the human resources, which decide the success of the organization. The human resources have to be properly managed, motivated, rewarded and counseled to bring out the best in them. Performance depends on two important characteristics of the Human Resources i.e. competence and attitude. Attitude of people depends upon how they are managed, motivated and led. Hence, HRM has a major role to play in the success of the co-operatives and in that the organizational commitment of the employees is one of the important factors.

The Organizational Commitment of managerial people is important from the point of view of their having to cope with the problems arising out of their role, design and functioning effectively. It is in this context the study on the HRM in the cooperatives and the commitments of managerial people are relevant. Moreover, the co-operative sector has been chosen as the sample for this research as this sector seems to hold a lot of potential for making significant contribution to the Pondicherry state and to the Indian society.

## **Objectives of the Study**

The major objectives of this study are to analyze the human resource management practices followed in the cooperatives in the U.T. of Pondicherry and the consequent organizational commitment of the employees in general and managerial level personnel in particular in contributing to the improved

performance. Keeping this in view, the following minor objectives have also been set for the study.

1. To study the policies and practices pertaining to the recruitment selection, compensation, performance appraisal, career planning, and career development of the employees working in the cooperatives.
2. To analyse the level of motivation of managers working in the co-operatives.
3. To examine the expectations of the managers while working in the co-operatives in respect of job characteristics.
4. To examine and measure as to how the levels of job satisfaction leads to the organizational commitment of managerial staff.
5. To analyze the relationship between the socio-economic background and attitudes of managers with their organizational commitment.
6. To offer suggestions based on the findings if any.

### **Operational Definitions of concepts**

The important terms, definitions and concepts which are used in this study are as follows:

1. **Organizational commitment:** Organizational commitment is the “degree to which an employee identifies with goals and values of the organization its willingness to exert effort to help it succeed.”<sup>19</sup>
2. **Job Satisfaction:** Job satisfaction is the degree to which one’s personal needs are fulfilled in the job situation. Job satisfaction is defined “as involving cognitive, affective, and evaluate reactions or attitudes and states it is a pleasurable positive emotional state resulting from the appraisal of one’s job or job experience.”<sup>20</sup> Job satisfaction is a result of employee’s perception of how well their job provides those things that are viewed as important.

- 3. Motivation:** "Motivation represents an unsatisfied need which creates a state of tension or disequilibrium, causing the individual to move in a goal directed pattern towards restoring a state of equilibrium, by satisfying the need."<sup>21</sup> Motivation may be defined as an inner state of mind that activates and directs our behavior. It makes us more inclined to act. It is always internal to us and is externalized via behavior i.e., one's willingness to exert effort towards the accomplishment of his/her goal<sup>22</sup>. Further, it is said as the processes that account for an individual's intensity, direction, and persistence of effort toward attaining a goal<sup>23</sup>.
- 4. Attitudes:** Attitudes are learned predispositions towards aspects of our environment. They are positively or negatively directed towards certain people, service, or institutions.<sup>24</sup> Attitude can be defined as "an enduring organization of motivational, emotional, perceptual, and cognitive process with respect to some aspect of the individual's world."<sup>25</sup>
- 5. Junior cadre:** Lower cadre executive officers are designated as senior inspector and junior inspectors. They function under the control and direction of co-operative officers i.e., co-operative sub-registrars.
- 6. Co-operative officer/Co-operative Sub-Registrar:** They occupy a middle level position in the executive hierarchy. They have the responsibility of getting work done through senior inspector/junior inspectors.
- 7. Dy. Registrar:** Deputy Registrar of the cooperative organization is placed in the level of head/managing director in the co-operative institutions(societies). They are responsible for the overall management of the cooperatives. They are answerable to the Joint Registrar/Registrar of the co-operatives.

- 8. Co-operatives:** In this study of co-operatives include both credit and non-credit societies engaged in diversified activities, and having their operation throughout the U.T. of Pondicherry.
- 9. Credit co-operative society:** In this study the term credit co-operative society stands for engaging in banking and housing activities. Such societies receive deposits and lend money for various purposes.
- 10. Non-credit co-operative society:** The term non-credit co-operative societies stand for societies engaged in diverse activities such as production, marketing and other services.<sup>26</sup>

## **Hypothesis**

In view of the above said objectives and the concepts and methodological issues raised by different researchers, the following Hypothesis (H) has been framed for the study.

H<sub>1</sub> managerial cadres in credit cooperatives are not motivated.

H<sub>2</sub> job satisfaction of managerial staff do not depend upon the quality of work, work environment and incentives, and the recruitment and selection methods.

H<sub>3</sub> there is no relationship between the organizational commitment and the performance.

## **Variable**

For identifying the variables that constitute organizational commitment, the researcher has carefully examined the various theories, models and previous studies, apart from the human resource management practices followed in the co-operative societies in Pondicherry state. After

a clear perusal of the above factors the following independent variables were identified as constructs of organizational commitment i.e., the organizational commitment is the function of various independent variables.

**Organizational commitment depends upon many Independent factors like:**

**Human Resource Management Variables**

IV<sub>1</sub> Recruitment and selection

IV<sub>2</sub> Salary Administration

IV<sub>3</sub> Training and Development

IV<sub>4</sub> Performance Appraisal

IV<sub>5</sub> Transfer policy

**Motivational Variables**

IV<sub>1</sub> Type of job

IV<sub>2</sub> Job security

IV<sub>3</sub> Promotion prospects in the job.

IV<sub>4</sub> Monetary benefits and perks

IV<sub>5</sub> Organizational objectives / Goal

IV<sub>6</sub> Reputation of the organization

**Job Satisfaction Variables**

IV<sub>1</sub> Type of the job itself

IV<sub>2</sub> Security in the job

IV<sub>3</sub> Challenges in the job

IV<sub>4</sub> Knowledge and skills required to do the job

IV<sub>5</sub> Quality of work life

**Attitude of the Managers (V<sub>4</sub>)**

IV<sub>1</sub> Personal Involvement

IV<sub>2</sub> Recruitment and selection process

IV<sub>3</sub> Training and working conditions

IV<sub>4</sub> Nature of the work

IV<sub>5</sub> Working environment

### **Expectations of the Managers (V<sub>5</sub>)**

IV<sub>1</sub> Job security and opportunity for advancement in the job.

IV<sub>2</sub> Salary

IV<sub>3</sub> Perquisites

IV<sub>4</sub> Status in the Organization

IV<sub>5</sub> Importance in one's job

### **Emotional Attachment (V<sub>6</sub>) - Toward the job**

### **Working Environment (V<sub>7</sub>)**

These are the major independent variables that can be considered as the determining factors of organizational commitment of the employees. After a careful perusal of the above said factors the independent variables were identified as constructs of the organizational commitment i.e., the organizational commitment is the function of various independent variables like:

$OC = f (V_1 \text{HRM}) * V_2 \text{ Motivational Factors} * V_3 \text{ Job Satisfaction} * V_4 \text{ Attitudinal Variables} * V_5 \text{ Expectations of Executives} * V_6 \text{ Emotional Attachment} * V_7 \text{ Working Environment})$

### **Methodology and Tools**

The study is based on the survey method. Both primary and secondary data have been adopted for this study. At the first stage a survey was carried out to familiarize with the research topic by reviewing the various aspects of the cooperatives with various sources such as research articles, working papers, seminar reports, expert committees report, and commission study reports from the libraries like IIM, Ahmadabad; IRMA, Gujarat; VAMNICOM, Pune; ICSSR, New Delhi; Natesan Institute of Co.op. Management, Chennai, etc.



In the second stage the primary data was collected from the employees through the issue of a well designed questionnaire and the responses were received from the selected Co-operative Department employees like Dy. Registrars, Cooperative Officers, Senior Inspectors and Junior Inspectors. This was supplemented by the Interviews to know about their views on the subject matter of research.

The Secondary data was also collected from the bye laws of the respective societies; policy guidelines/directions issued by the Government of Pondicherry to the respective societies, discussions with the higher and field level officials, annual reports published by the respective societies and administrative reports published by the Cooperative Department of the Government of Pondicherry. This is supplemented by collection of the necessary information about the factors like recruitment and selection process, training and development, performance appraisal, salary administration, motivation, job satisfaction measures which have a bearing upon the organizational commitment of the employees in the cooperatives of the Union Territory of Pondicherry.

## **Sampling**

Cooperatives in the union territory of Pondicherry are broadly in the area of Agricultural Credit Societies (short term and long term), State Cooperative bank, Urban bank, Marketing, milk producers society, Lift irrigation societies, Fishermen cooperative societies, Weavers societies, Industrial cooperatives, Consumer cooperatives, Housing societies, State coop. union etc. Even though these are the varieties of the societies, the cooperatives are broadly divided into two categories, namely credit and non-credit coop societies. Based upon the importance and intensity of the activities, the researcher has preferred to take up the sample from these two important sectors of cooperatives namely, credit societies and non credit societies. Out of these, only four credit societies and six non credit societies

were selected for the detailed analysis. Thus the following study units became the sample:

<b>Sl.No</b>	<b>Sample Units</b>
<b>I</b>	<b>Credit Societies</b> 1. State Cooperative Bank 2. Central Land Development Bank 3. Urban Bank 4. Primary Agricultural Credit Societies
<b>II</b>	<b>Non-credit Societies</b> 1. Marketing societies 2. Consumer Cooperative Societies 3. Weavers Cooperative Societies 4. Milk Producers Cooperative Societies 5. State Cooperative Union 6. Fishermen/Women Cooperative Societies

In these societies, the employees are in the cadre of Dy. Registrars, Co-op. officers, Senior Inspectors of co-op. societies, Junior Inspectors of co-op societies. In all these cadres there are 150 employees working in the Co-operative Department, Pondicherry. Out of this, 104 employees are selected as sample which include the Dy. Registrar, Co-op. officer, Senior Inspector and Junior Inspector. For a population of 150, the sample of 104 is a representative sample for a study of this nature.

Further the employees in the cadre of Dy. Registrars, Cooperative officers, Senior Inspectors, Junior Inspectors are working in the department to manage these societies under Co-operative Department. The researcher has conducted the study only with the Dy. Registrars, Co-operative Officers, Senior Inspectors, and Junior Inspectors and hence the sample is selected from among them. In this process 21 Deputy Registrars, 29 Cooperative Officers, 22 Senior Inspectors and 32 Junior Inspectors of the cooperative societies became the sample.

## **A brief note about the sample units**

The Pondicherry State Co-operative bank, an apex bank was established in the year 1958. It is playing a crucial role in the development of agricultural credit in the Union Territory of Pondicherry. The principal functions of the bank are to extend loans for seasonal agricultural operations, marketing of agricultural products, development of agricultural infrastructure, cash credit for working capital needs of the affiliated societies, cooperative marketing societies, employees co-operative thrift societies, agricultural co-operative credit societies, milk producers co-operative societies etc. As a scheduled bank it is undertaking the banking activities for its customers, through its network of 21 branches in all the four regions, offering all the types of banking services.

The Pondicherry Co-operative Urban Bank was registered on 15<sup>th</sup> June 1955 and started its working from 11<sup>th</sup> July 1955. The Urban bank was functioning under a committee of management till 31.12.1994 and thereafter it is being managed by an Administrator in the cadre of Deputy Registrar of Co-operative societies.

The Pondicherry Co-operative Central Land Development bank started functioning from 7.5.1960 to cater to long-term credit needs of the agriculturists in the Union Territory of Pondicherry. The operation of the bank covers the entire union territory headed by a Dy. Registrar from the department. The bank has one branch in every region of the state.

The Pondicherry Central Co-operative processing supply and marketing society was registered as a co-operative society on 27<sup>th</sup> November 1955. The society was developed from a primary society to a central society in the year 1972 and was renamed as "the Pondicherry Central Co-operative Processing Supply and Marketing Society Ltd., No.P.31". The area of operations of the society comprises of all the communes (A French nomenclature to mean a block) in Pondicherry region.

The Weaver's Industrial Co-Operative Society was originally registered as a model Weaver's Industrial Co-operative Society on 2.3.1957 and started functioning with effect from 20.05.1957. Later, this Pondicherry Model Weaver's Industrial Co-operative Society was converted as the Pondicherry State Weaver's Co-operative Society on 1.3.1973. This is an apex weaver's co-operative society and the area of operations of the society is extended to the entire Union Territory of Pondicherry. At present 13 primary weavers co-operative societies are affiliated to it.

The Pondicherry co-operative milk supply society, as it was called then, was the first co-operative society registered in the union territory of Pondicherry in the year 1955 under the Madras Co-operative Society's Act 1932. This was later converted as the Pondicherry Co-operative Milk Producers Union (a central society), extending its area of operation to the entire Pondicherry region. **Ponlait**, the brand name of Pondicherry co-operative milk union ('lait' in French denotes 'Milk') has become a household name today. 101 primary dairy co-operatives are affiliated to the Ponlait of which 95% societies are functional. The milk producers produce around 65% of the total as marketable surplus from the dairy co-operatives in villages.

The Pondicherry State Co-operative Consumers Federation was registered, on 10.3.1983 and started functioning on 31.3.1983. The area of operation of the federation is extended to the entire Union Territory of Pondicherry.

The Pondicherry State Co-operative Union was registered on 10.2.1975 and it started working on 23.2.1976. This is an apex level co-operative institution and functioning with the object of propagating the principles of co-operation among the public by undertaking promotional activities like conducting conferences, seminars, training programmes orientation programmes, leadership programmes etc.,

Fishermen Co-operative Societies pave the way to meet efficiently the needs of the fishermen by rendering better services to uplift the socio-economic conditions of the fishermen community. In order to strengthen the primary fishermen co-operatives, financial assistance is given in the form of share capital, a medium term loan. Pondicherry State Fishermen Co-operative Federation is acting as agent to the primaries in issuing loans like fish vending loans, medium term loan etc., A large number of fishermen and fisher women have been enrolled under the component savings-cum-relief fund scheme belonging to marine and inland sections respectively and the benefits were extended during the lean season. The women members in the co-operative societies subscribe Rs.20 per year under group insurance.

### **Tools of analysis**

Simple tools like Percentage, Average, Mean score, Standard Deviation, factor analysis, factor loadings and rotations, cross tabulation and chi square analysis, t-test and F-value (One way ANOVA), multiple regression analysis are used in the study.

- The reliability/consistency of the independent factors were tested with the Cronbach alpha i.e. a tool used for assessing the reliability of the factors.
- Factor analysis is used to find as to which factor is more important from the point of employees in creating organizational commitment, job satisfaction, etc.,
- The factor loadings with Varimax rotation is used to find out the hierarchy of the factors in creating the organizational commitment, job satisfaction, or making the employees to perform better.

One good rule of thumb for determining the number of factors is the 'eigenvalue being greater than 1'. It is noted that the factors will all be orthogonal to one another, meaning that they will be uncorrelated.

The loadings listed under the 'factor' represent a correlation between that item and the overall factor. Like Pearson correlation they range from -1 to 1.

Chi square test is used to test whether more than two population proportions can be considered equal or to determine whether the two attributes are independent of each other.

Analysis of variance abbreviated as ANOVA will enable to test the significance of the differences in the dependent variable based on categorical differences on one independent variable, or among more than two sample means.

The suitability of tools are tested with appropriate test like 'f' test and results are tested with 't' test.

Multiple regression analysis is used to find out the accuracy when more than one independent variable is used to estimate the dependent variable.

Trend analysis is made to study the trends in the growth of various parameters like growth in the number of societies, number of membership, paid up share capital, growth in working capital, profits earned etc.,

### **Period of Study**

The study is conducted for a period of 9 years and it covers the functioning of the cooperatives from 1999-2000 to 2007-08. The survey was conducted during the year 2009-10 with the existing information available.

### **Limitations of the study**

The factors which may have the bearing upon the organizational commitment are abstract factors which cannot be numerically measured.

Opinions expressed by the respondents depend upon their value systems which may vary from person to person and also from time to time. Therefore the results on the organizational commitment may not be exactly quantified, but however the behavior of the employees are constant over a period, their responses may be deep rooted in their mind and hence it may be the true reflections of their mind and hence may be applicable not only to the co-operatives in Pondicherry but also to all the societies which are similarly situated. Looked at from this angle, the analysis will be applicable to other parts of the country also.

## **Presentation of the Report**

The study is presented in nine chapters.

**Chapter I** introduces the subject matter of the study. It presents the statement of the problem, the need for the study, its objectives and the methodology adopted for the study. A brief outline of the survey conducted on the organizational commitment, instruments used for the study, the definitions of the concepts used in the study, and the limitations of the study and lastly the chapterization.

The **second chapter** reviewed studies conducted earlier in this field of functional aspects of Human Resource Management under which man power planning, recruitment and selection, training and development, and salary administration. Secondly a review is made in the area of performance appraisal, job satisfaction, motivation and organizational commitment and finally HRM in the Cooperative sector.

The **third chapter** attempts to give the conceptual guidelines about the organizational commitment, its favourable/effects on the performance and the consequential benefits available to the organization and the societies in general.

The **fourth chapter** attempts to give the profile of the Co-operatives in the Union Territory of Pondicherry so as to understand the cooperatives in general and the cooperatives in the Union Territory of Pondicherry.

The **fifth chapter** attempts to analyse the organisational commitment of the employees of the cooperatives. This includes demographic characteristics, and socio-economic status of the individual members. It is also analysed the employee's knowledge about cooperatives, motivational factors, performance appraisal methods, recruitment practices, training and development measures and satisfaction in the present job.

The **sixth chapter** discusses about job satisfaction and organizational commitment among the employees.

The **seventh chapter** attempts to study the organizational commitment of among the employees in the cooperative organization in Pondicherry. Further it also analysed the factors influencing organizational commitment.

The **eighth chapter** analysed the trends in growth of number of societies, membership, share capital, working capital and profits earned as indicators of performance as an outcome of the Human Resource Management (HRM) practices followed in the U.T. of Pondicherry.

The **nineth chapter** presents the summary of the analysis its major findings and suggestions based upon the findings and lastly a brief conclusion about the whole study. Based upon the indepth study about the cooperatives in the U.T. of Pondicherry in general and the impact of HRM practices in particular, the researcher has also set forth the scope for further research in this field.



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## Chapter – II

### REVIEW OF EARLIER STUDIES

There is an abundant literature of a general type on the evolution and growth of cooperatives in the country. The managerial and organizational aspect of co-operatives has been generally ignored in these materials, though they are vital for the survival of these institutions. Hence there are only a very few works available in this field. Many Indian co-operative congress organized by the National Co-operative Union of India (NCUI) have also deliberated on the various issues pertaining to cooperatives. A review of literature on Co-operatives shows that the Government has been endeavoring to popularize this sector at all levels. It appears however not much systematic research works have been done in this field.

This chapter attempts to review the literature on the co-operatives, research studies on Human Resource Management and organizational commitment in Industrial units and other establishments.

For the convenience of presentation, the review of the earlier and research studies on the subject has been arranged under the following headings.

1. Functional aspects of Human Resource Management
  - a. Man Power Planning
  - b. Recruitment and Selection
  - c. Training and Development
  - d. Salary Administration
2. Performance Appraisal, Job Satisfaction, Motivation and Organisational commitment.
3. Human Resource Management in the Co-operative sector.

# **I Functional aspects of Human Resource Management**

## **I.1 Man Power Planning**

Stainer<sup>1</sup> (1971) insist man power planning as a strategy for the acquisition utilization, improvement and preservation of an enterprise's human resources. It relates to establishing job specifications or the quantitative requirements of jobs, determining the number of personnel required and developing sources of manpower.

In (1974)<sup>2</sup> the Department of Employment had defined man power planning as strategy for the acquisition, utilization, improvement and preservation of human resources in organization.

The Eighth Indian Co-operatives Congress (1979)<sup>3</sup> conducted by the National Co-operative Union of India (NCUI) has reported that man power planning has not received its due attention in the Co-operative Sector in spite of the expansion of business and diversification of economic activities.

The Man Power Planning Development Committee of the open Asian Conference (1979)<sup>4</sup> on co-operative management has observed that man power development is very relevant and necessary for the progress of the co-operative movement in the developing countries.

Smith (1980)<sup>5</sup> says Demand work deals with analyzing, reviewing and attempting to predict the members by the kind of the manpower needed by the organization to achieve its objectives.

Supply work is attempting to predict what action will be necessary to ensure that the man power needed is available when required. In designing the interaction between the demand and the skills utilized to the best possible advantage and to meet the legitimate aspirations of the individual are taken into account.

Dinesh (1980)<sup>6</sup> has pointed out that man power planning and training can be taken as a key function of personnel management in respect of co-operative enterprises because in such enterprises there is no scope of industry, new talent from outside with immediate effect.

Ojha (1988)<sup>7</sup> has emphasized the importance of manpower planning and has stated that scientific man power planning alone will help the co-operatives in meeting the challenges which they have to face in the coming years.

Shivaji (1996)<sup>8</sup> in his research study has stated that man power planning aims at anticipating the future needs and supplies of man power and taking advance action by devising strategies in the area of recruitment, training, transfer, promotions and retirements.

## **I.2 Recruitment and Selection**

Rudrabasavaraj (1970)<sup>9</sup> having studied the personnel practices in co-operative, public and private sector organizations found that the recruitment of personnel was confined to local people, relatives and friends, although there was an increasing trend towards the application of more sophisticated tools and techniques.

A regional seminar convened by the International Co-operative Alliance (ICA) (1977)<sup>10</sup> has observed that those who can not be absorbed elsewhere, join the co-operative sector.

Rao (1982)<sup>11</sup> has stated that the recruitment policy of many of the co-operatives, coupled with their lack of growth potentials continue to be the main inhibiting factor in attracting competent and skilled managerial personnel to manage these organizations.

Man Madhan (1993)<sup>12</sup> has suggested that professional financial management practice should be implemented by giving the facilities, freedom and authority to managerial personnel rather than by recruiting and filling vacancies at various levels with locally available people.

Dayanandan and Sasikumar (1999)<sup>13</sup> have stated that a carefully planned and implemented recruitment programme is a good sign of effective management.

### **I.3 Training and Development**

Pandey (1975)<sup>14</sup> in his doctoral level research work has stated that if all the members are educated and trained, the objectives of the society are likely to be realized in an effective way.

Kulkarni (1981)<sup>15</sup> has observed that an adequate number of well qualified and professionally trained staff is an essential requirement for the efficient functioning of a co-operative organization.

Seth (1984)<sup>16</sup> has suggested that training for personnel managers should be directed towards attitudes and beliefs underlying managerial philosophy and their inter-relatedness.

Nanda Kumar (1992)<sup>17</sup> has suggested that the adoption of modern technology requires imparting training to the supervisors and the workers who are really in touch with the machine and tools.

Thamban (1994)<sup>18</sup> in his doctoral dissertation points out that management training is inevitable to implement scientific management. In order to feel the growing challenges and competitions, proper training and education should be given to the personnel and the directors.

Singh (1995)<sup>19</sup> in his research study states that training is the process of changing the attitudes, improving the knowledge and developing the skills of the employees of an organization to enable them to perform their job effectively.

Dayanandan (1997)<sup>20</sup> in his research study has pointed out that training programmes help employees to acquire knowledge, skills and ability which are needed to meet the future challenges.

#### **I.4 Salary Administration**

The Open Asian Conference on Co-operative Credit and Financial Management (1977)<sup>21</sup> had observed that there had been a general feeling among the legislators, administrators and personnel working in co-operatives that inadequate salary structure, poor service conditions and inadequate scope for career development are the general features of employment in co-operatives.

Mahapatro (1978)<sup>22</sup> in his research work have stated that the criteria for wage fixation are industry cum region based. Prevailing wages, ability of the employer to pay, productivity of labour, cost of living and requirement of social justice are the basis.

Monappa and Kamat (1980)<sup>23</sup> have analyzed the executive's salary contained in the annual accounts of 150 companies and have concluded that the personnel managers are paid as much, if not more, than their counter parts in other functional areas of management.

Shah (1997)<sup>24</sup> has reported that organizations should develop fair and accurate reward systems which recognizes and reward those who contribute most.



## **II. Performance Appraisal Job Satisfaction, Motivations and Organisational Commitment**

### **II. 1 Performance Appraisal**

Gabriel Simon Thattil (1991)<sup>25</sup> has suggested that Performance Appraisal should be so undertaken to assess what one has achieved on his job, updating the performance appraisal system should be undertaken on a scientific basis.

Gani (1995)<sup>26</sup> has stated that Performance Appraisal systems are very widely used all over as an effective mechanism to manage human resources.

Bevan and Thompson (1991)<sup>27</sup> have stated that a distinguishable feature of performance management is its integrating strength in aligning various process with corporate objectives.

Jagadeesh (1998)<sup>28</sup> has observed that an effective performance appraisal system can lead to improvement in Quality and Productivity.

Dale S. Beach (1980)<sup>29</sup> says that it is the systematic evaluation of the individual with respect to his or her performance on the job and his or her potential for development.

Randal S.S. Chuler (1981)<sup>30</sup> says that it is a formal, structured system of measuring and evaluating an employee's job related behaviours and outcomes to discover how and why the employee is presently performing on the job and how the employee can perform more effectively in the future so that the employee, organization, and society shall benefit.

Aswathappa. K (2005)<sup>31</sup> says that it is an objective assessment of an individuals performance against well defined benchmarks.

## II.2 Job Satisfaction

Ronan (1970)<sup>32</sup> has studied the relative importance of eighteen job characteristics in relation to job satisfaction and found that job security is not important to salaried workers, but it is important to both managerial and hourly workers.

According to Rajeshwar Mishra (1980)<sup>33</sup> job satisfaction is a feeling occurring out of different conditions within a job and outside the job.

Daftuar and Prasad (1986)<sup>34</sup> have found that the personnel in private organizations, with the exception of those at the middle level, are more satisfied than those working in Public organizations.

Mira and Pestonjee (1990)<sup>35</sup> in their study of bank employees have observed that middle managers express the greatest degree of satisfaction, followed by foreman and chiefs, and then by workers.

Pushpa (1993)<sup>36</sup> has emphasized that complete job satisfaction of the managers and workers in Kerala can not be taken at its face value. It must be related to rotation of jobs at different and unfamiliar places of work.

Alinoor Rahman (1994)<sup>37</sup> in his study of supervisors in the garment industry has suggested that open communication, job security, supervisory status, recognition for good work and overtime are considered more important for job satisfaction than job status, working environment and autonomy in work.

Mishra, Dhar and Dhar (1999)<sup>38</sup> have reported that enhancing employee satisfaction guarantees greater involvement and commitment on the part of the employee to his job and organization.

### **II.3 Motivations**

Barnard (1938)<sup>39</sup> has found that rewards and penalties are the basic factors that induce individuals to work for an organization.

Hemavathi (1990)<sup>40</sup> has in her doctoral research work found that job security is the chief motivation to the employees in the government and public sectors.

Unnikrishnan (1992)<sup>41</sup> has observed that qualified employees should be properly motivated by giving them higher grade promotion and increment.

Anilkumar (1995)<sup>42</sup> indicates that in order to motivate the workers to increase their efficiency, the management should adopt measures to evaluate the merit of the workers and to make them feel that their merit is appreciated by the management.

Likert, Rensis (1933)<sup>43</sup> says that it is the core of management which shows that every human being earnestly seeks a secure, friendly and supportive relationship which gives him a sense of work in face to face groups which are most important to him. A supervisor should strive to treat individuals with dignity and recognition of their personal worth.

Young Paul T. (1961)<sup>44</sup> says that the goals of the individuals and the organization can be achieved through stimulating workers toward productive performance – called motivational process. It is a process of arousing action; sustain the activity in progress, and regulating the pattern of activity.

## II.4 Organisational Commitment

Robert A. Stebbins (1970)<sup>45</sup> has observed that people in low status occupations are thought to have little commitment, whereas people in high status occupation should be more highly committed.

Sheldon (1971)<sup>46</sup>, Alutto, Herbiniak and Alonso (1973) have found that job tenure and age-related variables are positively related to organizational commitment.

Herbiniak and Alutto (1972)<sup>47</sup> in their studies have found that there is a strong positive relationship between organizational commitment and experience or seniority.

Buchanan (1974)<sup>48</sup> has pointed out that the commitment of managers is essential for the survival and effectiveness of large work organizations.

Aranya and Jacobson (1975)<sup>49</sup> have found that organizational commitment is in a highly positive correlation with occupational commitment.

Staw (1976)<sup>50</sup> has stated that negative consequences may actually cause decision makers to increase their commitment.

Steers (1977)<sup>51</sup> has found that work experiences are more closely related to commitment than personal or job characteristics.

Aryeh (1978)<sup>52</sup> has indicated that workers with high protestant ethic tend to express high moral commitment, while those with low ethic tend to express low moral commitment.

Mowday, Steers and Porter (1979)<sup>53</sup> have found that the better performing branches of a bank have employees with relatively high levels of organizational commitment than the low performing branches have.

Cook and Wall (1980)<sup>54</sup> have stated that supervisory relation and interpersonal trust are positively related to organizational commitment.

Morris and Sherman (1981)<sup>55</sup> in their research work have indicated that the level of education is negatively related to organizational commitment.

O'Reilly and Caldwell (1981)<sup>56</sup> have shown that job choice decision and expectation of an employee can affect his future attitudes and commitments.

Padaki (1982)<sup>57</sup> has found that individuals different in their locus of control react differently to organizational situations and correspondingly they differ in their levels of commitment, motivation and satisfaction.

Amsa (1982)<sup>58</sup> in his research has found that the expression of commitment values in the form of good work performance takes place only when an employees expectations from his job are reasonably fulfilled by the organizations.

Sinha (1983)<sup>59</sup> has found a significant and positive relationship between overall organizational climate and organizational commitment.

Ferris and Aranya (1983)<sup>60</sup> have observed that organizational commitment is becoming an increasingly used instrument to predict performance, absenteeism and turnover.

Balaji (1984)<sup>61</sup> in his research on managers in co-operatives has found that managers at the high levels of the organizational hierarchy are more committed to their organizations than those at the lower echelons.

Oliver (1984)<sup>62</sup> in his study of organizational commitment in six workers co-operatives in Scotland has observed that the founder-members of the co-operatives showed significantly higher organizational commitment and also identification, involvement and loyalty than other members.

Mottaz (1986)<sup>63</sup> has found that professionals have organizational commitment than non-professionals.

Raju and Srivastava (1986)<sup>64</sup> have suggested that employees who are satisfied with a company may develop commitment to the organization and vice-versa.

Curry, Wakefield, Price and Mueller (1986)<sup>65</sup> have found that high levels of repetitive work are associated with low commitment, and high levels of fairness in rewards are associated with high commitment.

Luthans, Baack, and Taylor (1987)<sup>66</sup> have found that age, education, tenure in the organization, tenure in present position and supervising status have a positive relationship to organizational commitment.

Decotis and Summers (1987)<sup>67</sup> have reported that commitment is strongly associated with individual motivation, desire to leave, turnover and objective measures of job performance.

Brooke, Jr. Russell and Price (1988)<sup>68</sup> have stated that work involvement is positively related to job satisfaction, job involvement and organizational commitment.

Romzek (1989)<sup>69</sup> has pointed out that committed employees are more satisfied with their career prospects within their organization.

Mathiew and Kohler (1990)<sup>70</sup> have stated that in their study, the lowest absence rate was found among employees who expressed both high organizational commitment and job involvement.

Randall, Fedor and Longenecker (1990)<sup>71</sup> have observed that employees commitment to the organization is expressed through their behaviour indicating a concern for quality, a sacrifice orientation, a willingness to share knowledge, and through their presence in the work place.

Oliver (1990)<sup>72</sup> has noted that employee who show strong participating values exhibit relatively high commitment, whereas employees with strong instrumental values show relatively lower commitment.

Mohan Raju (1991)<sup>73</sup> in his research work regarding teachers commitment to the teaching profession has indicated that the more committed teachers express high intrinsic motivation, inner direction, religiosity, external expectation, self accountability and desire to utilize skills.

Sharma and Chauhan (1991)<sup>74</sup> have observed that highly motivated employees feel more committed to their organization than those who are less motivated.

Brockner, Taylor and Schneider (1992)<sup>75</sup> have suggested that employees who had relatively high levels of commitment beforehand may show a sharp decline in commitment if their experience with the institution is negatively discrepant from their prior beliefs.

Rodgers, Hunter and Rogers (1993)<sup>76</sup> have observed that effective program installation depend on the level of top management commitment. The stranger the commitment the greater is the potential for program success.

Tett and Meyer (1993)<sup>77</sup> have held the view that commitment and satisfaction such contribute uniquely quickly to the turnover process.

Besser (1993)<sup>78</sup> in his research study comparing the commitment to work of the American and Japanese workers has concluded that Japanese workers are more committed to their employing organization than the American workers.

Cramer (1993)<sup>79</sup> has indicated that stronger organizational commitment is associated with greater satisfaction with the job, salary and career structures.

Sayed (1994)<sup>80</sup> in his research study among the managers of three multinational firms has found that the level of management has consistently positive relationship with overall commitment followed by length of service.

Wilson (1995)<sup>81</sup> in his research study has found that older employees and women employees are more committed to their organization than younger employees and non employees. Married employees are more committed than motivated employees. He also states that the level of education increases the organization commitment of employees. Salary and family income are positively related to organizational commitment.

Somers (1995)<sup>82</sup> has indicated that affective commitment emerged as the predictor of turnover and absenteeism where as normative commitment was positively related to the intent to remain.

Balachander and Anantharaman (1996)<sup>83</sup> have found a strong relationship between organizational commitment and is it facets or facts of organizational stress and job satisfaction.



Sharma (1997)<sup>84</sup> has indicated that situational factors, contribute more to organizational commitment than person related factors.

Biswas (1998)<sup>85</sup> has suggested that performance thrust, and frustration stressors are significant predictors of organizational commitment.

### **III. Human Resource Management in the Co-operative sector**

The report of the Co-operative Planning Committees (1951)<sup>86</sup> appointed by the Government of India has observed that the departments of Co-operatives do not pay much attention to scientific research related to the

The report of the national servicing on industrial relations (1972)<sup>87</sup> observes that a labourer employed in the co-operative sector has the same aspiration as other labourer here. Indeed the aspirations are likely to be greater because of the inbuilt social values the co-operative movement stands for.

Buchanan (1973)<sup>88</sup> recommends professional management in co-operatives, adoption of modern technology calling for the viewer and ensuring the visibility of co-operative institutions by the manpower cost to the minimum.

Jha (1978) in his study observed that the majority of co-operative societies lack a human resource management division or department.

Krishnawani (1979)<sup>90</sup> has stated that sound personnel management practice in Co-operative enterprises is the basic need of the strategy for ushering in the management revolution in the co-operative sector.

Retan Maitra and Tushar Shah (1931)<sup>91</sup> have expressed the view that is nothing wrong with governments patronage and involvement in co-operatives, but this would be wrong if co-operativisation like industrialization became an end itself because of some political ideology.

Jajoti (1985)<sup>92</sup> in her doctoral study suggested that there should be a separate full-fledged department for the management of human resource.

Srinivasan (1985)<sup>93</sup> in his research study observed that the growth of the size of the co-operative units requires sophistication in the management and maintenance of industrial peace which has become an urgent and prissily problem in co-operatives.

Shivaji (1994)<sup>94</sup> has stated that lack of professional expertise is one of the most important factors contributing to the poor performance of some of the credit co-operatives.

The systematically arranged (as per the basic components of HRM and on Chronical order) reviews showed that all the components of HRM viz. Man Power Planning, Recruitment and Selection, Training and Development, Salary Administration, Performance Appraisal, Job Satisfaction, Motivation and Organizational Commitment are essential for the better performance in both co-operative organizations and others as well. Some studies have lamented that in co-operative organizations both in India as well as in foreign countries, care has not been taken off. Equally the studies have also revealed that for better performance the provision of Job Satisfaction and motivational factors are essential. Some studies have shown that the Job Satisfaction, Motivational and factors creating organizational commitment may improve performance, but some other studies have shown that it may not lead to improved performance if the employees are young or when there is a

discrepancy between the present organizations climate and the prior organizations climate. But majority of the earlier studies have concluded that there are positive correlations between these factors and performance.

Even though those studies include foreign as well as Indian, No study was carried out to find out the impact of HRM factors and performance in general or organizational commitment of the employer of the co-operatives in Pondicherry and the performance. Hence this is an earnest attempt to analyse these in the following chapters.

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## Chapter - III

### THE RELEVANCE OF ORGANISATIONAL COMMITMENT

#### The concept of Organizational commitment

Organizational commitment is most often defined as a strong desire to remain a member of a particular organization; a willingness to exert high levels of effort on behalf of the organization; and a definite belief in, and acceptance of the values and goals of the organization<sup>1</sup>. In other words, this is an attitude reflecting employees' loyalty to their organization and is an ongoing process through which organizational participants express their concern for the organization and its continued success and well-being<sup>2</sup>. In the opinion of Robbins, Judge and Sanghi, 'organizational commitment means the degree to which an employee identifies with a particular organization and its goals and wishes to maintain membership in the organization

Looked from the above definitions, the organizational commitment has been explained in the four major meanings, namely: (I) Permanence (II) Preference, (III) Identification and (IV) Performance. The various definitions postulated can be thought of as attitudinal or behavioral definition using one or more of the above meanings.

*(i) Permanence:* According to Becker (1960) a person can be said to be committed "when we observe him / her pursuing a consistent line of activity in a sequence of varied situations"<sup>3</sup>. Industrial sociologists concerned with commitment to the industrial way of life and factory employment have thought of commitment in this sense. In Myer's view (1998) committed labour force can be said to have developed when worker, no longer look on their industrial employment as temporary"<sup>4</sup>. Lambert (1963) used "the intention to remain in factory employment' as an index of commitment to factory employment"<sup>5</sup>. Porter and other (1976) definition of organizational commitment include a strong desire to maintain organizational membership

as one of the three factors characterizing organizational commitment<sup>6</sup>. Thus, these definitions suggest permanence or willingness to continue membership in an organization as the meaning of organizational commitment.

**(ii) Preference:** The second concept indicates that the organizational commitment implies preference for one's organization over others. Sheldon (1971) has used the level to which one positively evaluates one's organization as an index of such preference<sup>7</sup>. Sharma (1974) and Gupta (1982) have used index which measure one's preference of one's current employing organization over others as indicators of organizational commitment. Such preference occurs due to one evaluating one's organization as better than similar other organizations. This is owing to positive evaluation<sup>8</sup>.

**(iii) Identification:** A person is said to be committed when he or she accepts and internalizes the goals and values of the organization. Morris (1960) holds that commitment involves both performance and acceptance of the behavior appropriate to the industrial way of life<sup>9</sup>. Though in his definition the focus is on commitment to the industrial way of life, it can be transferred to commitment to the organization. "Linking the identity of the person to the organization" (Sheldon 1971) and strongly believing in and accepting the organizations goal and values<sup>10</sup> (Porter and others 1974) are other ways in which this identifications" has been expressed as the meaning of organizational commitment<sup>11</sup>.

**(iv) Performance:** The term 'organizational commitment' has also been used to indicate 'performance'. Morris definitions (1960) consider performance appropriate to the industrial way of life<sup>12</sup>. Kanter (1968) considers organizational commitment to signify the willingness of social actors to give their energy and loyalty to the organization<sup>13</sup>. Sheldon's, definition (1971) include the intention to work towards organizational goals as an aspect of organizational commitment<sup>14</sup>. Porter and other's (1974) include "a willingness to exert considerable effect on behalf of the organization as one of the characteristics of organizational commitment"<sup>15</sup>.

## **Organizational commitment**

Today's work place is enveloped by the fear of downsizing, loss of job security, overwhelming change in technology, and the stress of having to do more with less... (need to) establish the type of caring, spirited workplace that will ignite employee commitment<sup>16</sup>.

In the above backdrop, it seems pertinent to know and understand more about the organizational commitment. According R.T. Mowday "a strong desire to remain as a member of a particular organization, a willingness to exert high-levels of effort on behalf of the organization, and a definite belief in, and acceptance of the values and goals of the organization means organizational commitment."<sup>17</sup>

Robbin, Judge and Sanghi says organizational commitment refers to the degree to which an employee identifies with a particular organization and its goals and wishes to maintain membership in the organization<sup>18</sup>.

Research studies in the field of organizational behavior in general treat satisfaction and commitment as different attitudes. In the light of the new environment that includes downsizing telecommunity, merger and acquisition, globalizations and diversity, organizational commitment have resurfaced as a very important topic of the study and concern.<sup>19</sup>

### **Characteristics of Organizational Commitment:**

To understand the concept of organizational commitment fully, it is needed to know the motives of employees who are committed to their organizations. Meyer, Allen and Gellatly have identified three bases of organizational commitment<sup>20</sup>. These are:

1. **Affective commitment:** This refers to the employee's emotional attachment, identification and involvement with the organization.

2. **Continuance commitment:** This refers to the employee's motive to continue with the organization, because leaving may be costlier and he/she may not be able to afford to it. For example: an employee may not leave the organization because of the loss of the seniority for promotion.
3. **Normative commitment:** This kind of commitment refers to employee's moral obligation to remain with the organization.

There is considerable research support for these three components of organizational commitment. It also generally holds up across cultures.

### **Factors influencing organizational commitment:**

Research studies have listed many factors that may influence employees' commitment to their organization. Here are some of the important ones:

1. **Job characteristic:** Organizational commitment tends to be high among the employees whose jobs are highly enriched. Since these job characteristics are present in abundance in self employed job, he is therefore not surprised to find that the levels of organizational commitment are quite higher among self-employed people than those who are employed by organizations.
2. **Job rewards:** Organizational Commitment is influenced much by the type of reward that employees receive from the organization. Research studies have shown that the employee's commitment to their organization is enhanced by the use of profit sharing plan like Employee Stock Option Plan (ESOP).
3. **Availability of alternative job opportunities:** Expectedly, the greater possibilities for finding alternative job, tends the employees to be less committed to the organization and vice versa.



- 4. Personal characteristics of employees:** It is found that the employees who have longer tenure with organization have greater organizational commitment than those with shorter stay with the organization. The reason is not difficult to seek. It is one established fact that the longer one serves in an organization the more one is likely have invested in it.

#### **Calculative and moral commitment:**

Dubin and others (1975) analyses the central life interest and organizational commitment<sup>21</sup>. Kidron (1978) calls the willingness to remain aspect as calculative commitment<sup>22</sup>. Incorporation of organizational values and goals into one's own identity is labeled moral commitment. Separation of commitment into calculative and moral components helps to focus the relevance of value orientation. Thus calculative and moral commitments are similar to the permanence and identification meanings respectively. Calculative commitment is viewed as arising out of the satisfaction of one's needs, while moral commitment stems from one's values.

#### **Passive and active commitment:**

Steers(1977)<sup>23</sup> finds weak relationship between commitment and performance. His conclusion is that there is no direct or consistent association existing between commitment and subsequent job performance. The reason put forward by him in this regard is that it may be more meaningful to distinguish between "Passive" and "Active" commitments. Passive commitment is an effective response. A highly committed employee is one who strongly identifies himself with the organization. Active commitment is expressed in terms of behavioral intentions. A committed employee will be willing to exert high levels of effort on behalf of the organization. Passive commitment has components of identification and permanence, meanings - while active commitment resembles only the performance meaning. Passive commitment is just continual membership and active commitment results in behavioral intentions.

## **Interchangeably used constructs**

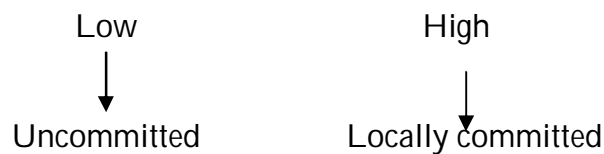
“Some commitment like concepts, such as organizational identification or organizational involvement, have also appeared in the literature” (Angle and Perry 1981)<sup>24</sup>. Organizational identification and organizational involvement are two overlapping concepts. These constructs and organizational commitment have been used interchangeably as their meanings were the same. Weiner (1982)<sup>25</sup> has stated that the identification approach postulates commitment as an attitudinal intervening variable mediating between certain antecedents and outcomes. Commitment is different from involvement. Kanungo (1982)<sup>26</sup> while probing extensively the concept of involvement suggests that involvement is a cognitive state of mind. Whereas commitment an affective state of mind. Job involvement as a specific belief regarding one’s relationship with ones present job is also different from organizational commitment, which refers to a general attitude towards an organization as a whole. Mowday, Steers and Porter (1979) define organizational commitment as an employee’s desire to remain in an organization, willingness to exert effort on its behalf and belief in and acceptance of the values and goals of the organization.<sup>27</sup> Balaji (1984) consider organizational commitment an affective attitude in which an employee feels emotionally attached to his /her employing organization as a whole<sup>28</sup>.

## **Focus on commitment**

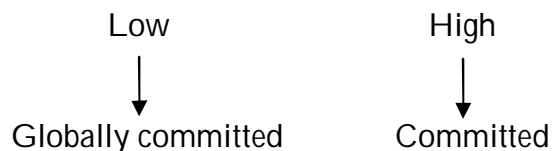
The Focus on commitment implies that employees can be committed to various entities in varying degrees towards their superiors, colleagues, subordinates, management, customers, or trade unions. In an attempt to categorize some of the Foci, researchers drew a line of distribution between those whose commitment is concentrated at lower organizational levels, such as co-workers and superiors and those whose commitment is primarily concentrated on higher levels, such as top management and cognition as a whole<sup>29</sup> The combined high and low levels of each were identified as four distinct commitment profile as shown in Model. I

**Model:1**

Attachment to supervisor and work group.



Attachment of top management and organization.



**Source: Four Distinct Commitment Profiles. T.E. Becker and R.S. Billings**

Employees having low commitment to their supervisor and co worker as well as low in commitment to top management and the organization were labeled uncommitted. On the other hand, employees high in commitment to both sets of foci were labeled as committed. The two combinations in between are one, employees highly committed to their top management and organization, but low commitment to their co-workers and their superiors were labeled as globally committed. Two of those employees who had higher commitment to their co-workers and supervisors but low to top management and organization were termed as locally committed.

**Object of commitment:** When multiple constructs are used to characterize organizational commitment, there will be lack of clarity and precision. For instance, Buchanan's conceptualization of organizational commitment comprise of (a) identification (b) involvement and (c) loyalty which indicates organizational commitment, comprising of different constructs with different sub systems of the organization as objects.<sup>30</sup>

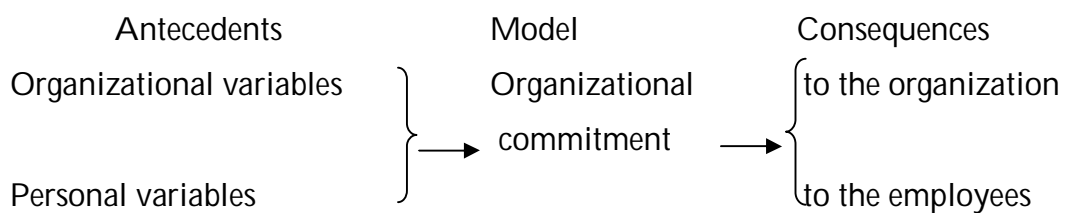
**Kanter proposes three types of commitments:** Continuance, cohesion and control, which bind personality system to areas of social system, group relationship and where continuance commitment refers to participating in a system and remaining as its member. Cohesion commitment refers to a

cathectic by which one feels affective ties to ones group and to all its members and control commitment is an evaluation along the lines of good or bad of the legitimacy of the group, the moral righteousness of the group norms, its way of doing things, its authority structure, its goals and the means for their achievement. Hence continuance commitment refers to the permanence aspect, cohesion to the identification aspect, and control to the performance aspect. Kidron’s typology has organization and organizational value and goals as the objects. Thus several authors have conceptualized organizational commitment as commitment to different sub systems of the organization.

**Antecedents and outcomes of Organizational Commitment:**

A simple model which focuses on the antecedents and out comes (consequences) of organizational commitment is given in Model.2

**Model: 2**



**Sources: Mowday, Porter and Steer. 1982**

Conceptually, organizational commitment has certain causes and effects. The antecedents of organizational commitment can be broadly classified as variable related to the organization and those related to the person. Organizational commitment has several consequences to the organization as well as to the employees. Different studies have discovered several antecedents and consequences of organizational commitment. In this study the focus is laid on the antecedents and outcomes of organizational commitment. Studies designed to ascertain the antecedents of organizational commitment have identified two sets of variables namely: (1) Organisational and (2) Personal.

**Organizational variables:** This study focuses attention on discovering the relationship between organizational commitment and organization related variables. The identified organization related variables include.

1. Task identity, job challenges, feed back, task autonomy, job involvement and skill variety (Buchanan 1974, steers, 1977).
2. Organizational structure characteristics like size span of control, centralization, formalization and functional dependence (Stevens, Beyer and Trice 1978).<sup>31</sup>
3. Role conflict, role ambiguity, role overload, role stress, and power (Morris and Slernan 1981, Welsach and La van 1981).
4. Interpersonal variables like team work and group attitudes (Steers 1977, Welsach and La van 1981).
5. Organizational climate characteristics such as decision making, communication, leadership, motivation and goal setting (Welch La van 1981).
6. Organizational process like participation in decision making (Rhodes and Steers 1981).<sup>32</sup>
7. Rewards (Gusky 1966, Welsach La van 1981).

**Personal variables:** There exists the relationship between personal variables and commitment to the employing organization. Adequate person-related variables have been found to be related to organizational commitment. Three frameworks have been used in studying the relationship of organizational commitment with the personal variables. They are investment, exchange and value notions. *Investments notion* denotes that the greater the stake one has in an organization the greater one is likely to be committed to the organization. Investments will produce commitment to the organization, regardless of other features of the person's relationship to the organization (Sheldon 1971). Variables which have been studied under the investment notion are age, tenure, education, marital status, number of dependants and

gender. Ritzer and Trice 1969, Alutto and others 1973, Porter and other 1974, Steers 1977, Angle and Perry 1981, Cohen 1992).<sup>33</sup>

**The exchange notion** states that the greater the level to which one's expectations are met, the stronger is likely to be the one's organizational commitment. The expectations include the need for achievement and personal importance. (Steers 1977 and Welsach and La Van 1981)

**The value notion** suggests that those with high work ethics tend to express high moral commitment. Work values and professionalism have been studied under this notion. It also shows the destination made between moral and calculative commitment, (Kidron 1988, Welsach and La Van 1981).

### **Other personal related variables are**

1. Demographic variables such as age, sex, marital status and professional educational (if any).
2. Career variables like the selection, total number of years of employment, tenure in the organization, number of years of working in the present position, promotion, number of organizations employed before joining the present organization and management level of one's present position in the hierarchy.

### **The outcomes of organizational commitments**

As in the case with job satisfaction, there are mixed outcomes of organizational commitment.<sup>34</sup> Both early and more recent research summarizes<sup>35</sup> do show support of a positive relationship between organizational commitment and desirable outcomes such as high performance, low turnover and low absenteeism. There is also evidence that employee commitment relates to other desirable outcomes, such as the perception of warm, supportive organizational climate<sup>36</sup> and being and a goal team member willing to help.<sup>37</sup> Yet, as with satisfaction there are some studies that do not show strong relationships between commitment and outcome

variables<sup>38</sup> and others where there are moderating effects between organizational commitment and performance. For example one study found a stronger relationship between organizational commitment and performance for those with low financial needs than for those with higher ones<sup>39</sup>, and another study found that the more tenure the employees had on the job and with the employing organization, the less impact their commitment had on performance<sup>40</sup>. Also a study found that commitment to supervisors was more strongly related to performance than was commitment to organizations<sup>41</sup>. Those and a number of other studies indicate the complexity of an attitude such as commitment<sup>42</sup>. However most researchers would agree that the organizational commitment attitude as defined here may be a better predictor of desirable variables than job satisfaction<sup>43</sup> and thus deserves management's attention.

### **The concept of job satisfaction**

Job satisfaction is one of the most extensively researched concepts in organizational psychology. The term job satisfaction was brought to lime light by Hoppock (1935)<sup>44</sup> etymologically the term job satisfaction is a combination of two words, 'job' and 'satisfaction'. The words job, work, occupation and position have generously been used interchangeability, whereas 'satisfaction' is related to the fulfillment of needs. Thus job satisfaction may be a resultant feeling of satisfaction which the employee achieves of gains from his job what he expects from it to satisfy his/her needs. According to Hoppock (1935)<sup>45</sup> job satisfactions is a combination of psychological, Physiological and environmental factors that makes a person to admit, I am satisfied with my job". It has also been defined as the end state of feeling." It is an important dimension of moral and not moral itself.

There are three important dimensions to job satisfaction discussion. These are, 1. Job satisfaction being an emotional response to a job cannot be seen. As such, it can only be inferred. 2. Job satisfaction is often determined by how satisfactorily outcomes met or exceed ones expectations. 3. Job

satisfaction represents an employee's attitudes towards five specific dimensions of the job: pay, the work itself, promotion opportunities, supervision, and co-workers. Further, job satisfaction has been a very fertile topic for the organizational commitment researchers. As such, there has been a prodigious volume of research on job satisfaction. Researchers have identified several factors that make employees satisfied or dissatisfied with jobs, and these factors fall into two broad variables: (1) Those relating to the organization and (2) Those relating to the personal characteristics of the employees themselves as shown in the table.

**Table - I.1 : Determinants of Job Satisfaction**

<b>Organizational Determinants</b>	<b>Individual Determinants</b>
Pay	Age
Work itself	Gender
Quality of Supervision	Status and Seniority
Working conditions	Marital status

Thus, the concept of job satisfaction is a comparison with one covering attitudes of an employee's towards various job factors.

Bullock (1952) views job satisfaction as an attitude which results from a balancing summation of many specific likes and dislikes experienced in connection with the job<sup>46</sup>.

Smith (1955) considers job satisfaction as an employee's judgment of how well his job has satisfied his various needs<sup>47</sup>.

Blum & Naylor (1968)<sup>48</sup> are of the view that job satisfaction is the result of various attitude possessed by an employee related to the job and to the many specific factors on the job.



Locke (1970)<sup>49</sup> states it as “the pleasurable emotional state resulting from the perception of one’s job as fulfilling ones important job values, provided these values are comparable with ones needs”.

Hezberg, Mansur and Snyderman (1959)<sup>50</sup> have challenged the conventional concept of job satisfaction which states that the satisfaction and dissatisfaction are two ends of a continuum with neutral position midway, where the individual is neither satisfied nor dissatisfied.

Generally, morale refers to the attitude of the workers and relates to group while job satisfaction is an individual’s feeling which could be caused by a variety of factors. It is governed to a large extent by perception and expectations men/women work to satisfy their needs and being aspired or extent their work- life to fulfill these needs.

For job satisfaction, there should exist an accord between the perception of how much the job can provide and how much one aspires to get and the extent to which these needs are actually fulfilled.

### **The concept of motivation**

Motivation interacts with and acts in conjunction with other mediating process, and the environment. Motivation is a hypothetical construct that is used to help explain behavior; it should not be equated with behavior. In fact, while recognizing the “Central role of Motivation”, many of today’s organizational behavior theorists “think it is important for the field to reemphasize behavior.”<sup>51</sup>

William G. Scott (1977), “motivation means a process of stimulating people to action to accomplish desired goal”.

As per C.B. Mamoria (1975) motivation is a willingness to expend energy to achieve a goal or reward. It is a force that activates dormant

energies and sets in motion the action of the people. It is the function that kindles a burning passion for action among the human beings in an organization.<sup>52</sup>

According to Dubin R. (1974) motivation is the complex force starting and keeping a person at work in an organization. To put it, differently, motivation starts and maintains an activity along a prescribed line. Motivation is sometime that moves the person to perform action and continues him/her in the course of action already initiated.<sup>53</sup>

Human motives are internalized goals within individuals. It cuts across all topics of industrial psychology. "Motivation is a Latin word meaning to move" thus motivation encompasses all those pressures and influences that trigger, channel and sustain human behavior. People are complex and they are uniquely different. What motivates one perform may not motivate another. Most successful managers have learned to understand the concept of human motivation and are able to use that understanding to achieve higher standards of subordinates' work performance.<sup>54</sup>

Burton and Thakur (1995) have suggested that a manager's primary task is to motivate others to perform the task of the employed organization at high levels. He must find the keys to get his subordinates to come to work regularly and on time, to work hard, and to make positive contribution towards the effective and efficient achievement of organizational objectives.<sup>55</sup>

Thus motivation really comprises all the internal urges which are disliked as desires, wishes drives etc., which make a person strive for doing a thing. It is what makes people to do things.

#### **IV. The concept of Performance Appraisal**

Performance Appraisal is an objective assessment of an individual's performance against well defined bench marks.

The objective of performance appraisal may vary from culture to culture, organization to organization and in the same organization from time to time. The broad objectives of performance appraisal according to Monappa and Saiyadain (1978) are:

1. Identifying the training needs.
2. Identifying the employee for salary increase, promotion, transfer, lay-off or termination of service.
3. Motivating employee by showing them where they stand.
4. Establishing a data bank or appraisal to help in taking personal decision.<sup>56</sup>

Wendell French (1973) performance appraisal is "the formal, systematic assessment of how well employees are performing their jobs in relation to established standards, and the communication of that assessment to employees."<sup>57</sup>

According to B. Flippo (1980) "performance appraisal includes all formal procedures used to evaluate personalities and their contributions and potential of group members in a work organization. It is a continuous process to secure information necessary for making correct and objective decisions on employees."<sup>58</sup>

Cumming (1972) states that "the objectives of performance appraisal schemes can be categorized as either evaluative or developmental."<sup>59</sup> The evaluative purpose have a historical dimension and are concerned primarily with looking back at how employees have actually performed over given time period, compared with required standards of performance. The developmental, future-oriented performance appraisal is concerned, for example, with the identification of employees training and developmental needs and the setting of new targets".

Dale, S. Beach (1980) says that "it is the systematic evaluation of the individual with respect to his or her performance on the job and his or her potential for development."<sup>60</sup>

Yager (1981) has stated that performance appraisal is the process through which an individual employee's behavior and accomplishment's for a fixed time period are measured and evaluated. It is a systematic and objective way of judging the relative worth or ability of an employee in performing his task.<sup>61</sup>

Randall, S. Schuler(1981) more comprehensively says that "performance appraisal is a formal, structured system of measuring and evaluating an employee's job related behaviours and outcomes to discover how and why the employee is presently performing on the job and how the employee can perform more effectively in the future so that the employee, organization and society all benefit."<sup>62</sup>

Dale Yoder (1982) says that "performance appraisal includes all formal procedures used to evaluate personalities and contributions and potentials of group members in a working organization. It is a continuous process to secure information necessary for making correct and objective decisions on employees."<sup>63</sup>

Under this background it is concluded that commitment is an attitude of the employees, and this is influenced by many other factors like job satisfaction, motivation, morale and performance appraisal system and this in turn can influence the performance of the employees in any organizations, an attempt is made in the next chapter to evaluate the levels of the organizational commitment prevalent among the employees of the Cooperatives in the UT of Pondicherry and its impact on their performance. Keeping this objective in mind, to find out the need for such a study or any gaps in the earlier studies an attempt is made in the following pages to review the earlier studies.

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## Chapter - IV

### PROFILE OF THE STUDY UNIT (Cooperative Department in the U.T. of Pondicherry)

#### Evolution of Cooperatives in India

“No achievement is impossible for man, if he knows how to act in the discipline of co-operation” – **Swami Chinmayanandha.**

#### Preface

Co-operation is as old as the human civilization. In the commune system, man developed the concept of co-operation of each according to his ability and each according to his need. The evolution of family community and ultimately international feeling spring out of the desire of men and women to co-operate with one another to overcome individual weakness what is known as co-operative effort is ultimately the group instinct in man, which enables him to live together, work together and help each other in times of stress and strain. In India, the principles of co-operation have been practiced from time immemorial. The spirit of village communities of India was almost entirely co-operative. The villages have throughout the ages worked together on an informal co-operative basis. The co-operative element in the community life of India was represented by the joint family system. The ancient Indian scripture **Rig Veda** states:

“May you all have common purpose  
May your hearts be in unison  
May your all be the same mind  
So that you can do work efficiently well”

In the modern technical sense, the genesis of co-operative movement and its applications in the economic field can be traced from the Industrial Revolution which took place in England during second half of the eighteenth

and first half of the nineteenth century. Co-operation as it is understood today as an economic system was born as a peaceful reaction against the mercantile economy and Industrial Revolution, which had resulted in concentration of wealth, mass poverty and degradation. In India the modern co-operative movement had started in the early part to the twentieth century. Since then, it has grown in stature and extent of covering more than 90 percent of the villages and covering nearly 40 percent of rural population. The co-operative activities acquired a predominant position in our national life.

“I know of no other instrument so potentially powerful and full of social purpose as the co-operative movement” – **Smt. Indira Gandhi.**

The co-operative movement is both a theory of life and a system of business. It is a form of voluntary association where individuals unite for mutual aid in the production and distribution of wealth upon principles of equity, reason and common good. It stands for distributive justice and asserts the principle of equity and equality ensuring to all those engaged in the production of wealth a share proportionately commensurate with the degree of their contribution. It provides as a substitute for material assets, honesty and sense of moral obligation and keeps in view the moral rather than the material sanction.

The co-operatives are the preferred instruments of socio-economic development. Their contribution to the national economy of the country is very significant. In the wake of declining role of public sector and various limitations of private sector, relevance of co-operatives is achieving greater heights. In the emerging environment of capitalistic form of society, co-operatives must succeed to provide opportunities to marginal and deprived section of society for their socio-economic development. Government is also committed to provide policy support for the development of co-operative sector in the country.

## Introduction

The cooperative movement in India owes its origin to agriculture and allied sectors. Towards the end of the 19th century, the problems of rural indebtedness and the consequent conditions of farmers created an environment for the chit funds and cooperative societies. The farmers generally found the cooperative movement an attractive mechanism for pooling their meager resources for solving common problems relating to credit, supplies of inputs and marketing of agricultural produce. The experience gained in the working of cooperatives led to the enactment of Cooperative Credit Societies Act, 1904. Subsequently, a more comprehensive legislation called the Cooperative Societies Act was enacted. This Act, inter alia, provided for the creation of the post of registrar of cooperative societies and registration of cooperative societies for various purposes and audit. Under the **Montague-Chelmsford Reforms** of 1919, cooperation became a provincial subject and the provinces were authorised to make their own cooperative laws. Under the Government of India Act, 1935, cooperatives were treated as a provincial subject. The item "Cooperative Societies" is a State Subject under entry No.32 of the State List of the Constitution of India.<sup>1</sup>

In order to cover Cooperative Societies with membership from more than one province, the Government of India enacted the Multi-Unit Cooperative Societies Act, 1942. This Act was an enabling legislative instrument dealing with incorporation and winding up of cooperative societies having jurisdiction in more than one province. With the emergence of national federations of cooperative societies in various functional areas and to obviate the plethora of different laws governing the same types of societies, a need was felt for a comprehensive Central legislation to consolidate the laws governing such cooperative societies. Therefore, the Multi-State Cooperative Societies Act, 1984 was enacted by Parliament under Entry No. 44 of the Union List of the Constitution of India.

After India attained Independence in August, 1947, cooperatives assumed a great significance in poverty removal and faster socio-economic growth. With the advent of the planning process, cooperatives became an integral part of the Five Year Plans. As a result, they emerged as a distinct segment in our national economy. In the First Five Year Plan, it was specifically stated that the success of the Plan would be judged, among other things, by the extent it was implemented through cooperative organisations.

The All-India Rural Credit Survey Committee Report, 1954 recommended an integrated approach to cooperative credit and emphasised the need for viable credit cooperative societies by expanding their area of operation, encouraging rural savings and diversifying business. The Committee also recommended for Government participation in the share capital of the cooperatives.

In view of these recommendations, different States drew up various schemes for the cooperative movement for organizing large-size societies and provision of State partnership and assistance. During 1960s, further efforts were made to consolidate the cooperative societies by their re-organization. Consequently, the number of primary agricultural cooperative credit societies was reduced from around two lakh to 92,000.

### **Evolution of Cooperatives in India**

By the beginning of the 20th Century, officials of the colonial government perceived the Indian farmers' dependence on usurious moneylenders to be a major cause of their indebtedness and poverty. At that time the cooperative movement had become well established in Europe and achieved remarkable success there. Convinced that the cooperative movement offered the best means of liberating Indian farmers from the crushing burden of debt and the tyranny of moneylenders, Indian officials began to take active interest in promoting credit cooperatives in the country. Societies were organised for the first time in the closing years of the 19th Century.

The passage of the Cooperative Credit Societies Act in 1904, and the enactment of a more comprehensive Cooperative Societies Act in 1912 marked the beginning of a government policy of active encouragement and promotion of cooperatives. This thinking gained wide acceptance and was adopted as a policy by provincial governments and thereafter, "cooperation" became a provincial subject in 1919.

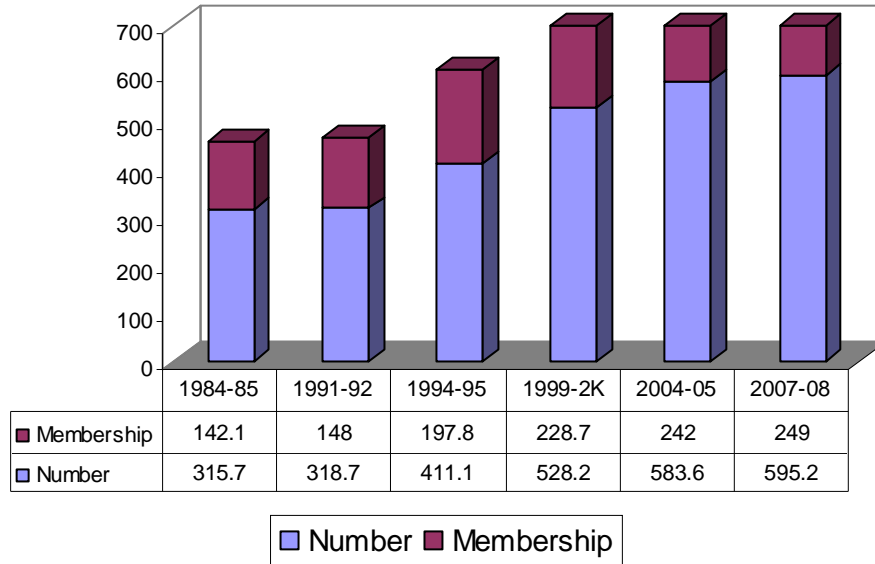
The classic study by Frederic Nicholson, followed by the Edward Law Committee on Cooperative Legislation, confirmed and reiterated the need for the State to actively promote cooperatives. A decade later, the Maclagan Committee (1915) advocated that "there should be one cooperative for every village and every village should be covered by a cooperative". The Royal Commission on Agriculture in India, which submitted its report in 1928, suggested among other things, that the cooperative movement should continue to focus on expanding rural credit and that the State should patronise cooperatives and protect the sector.

It was the Royal Commission which made the observation "if cooperation fails, there will fail the best hope of rural India". By this time, the State was already deeply involved in promoting agricultural credit cooperatives.

The major development during this phase was the role played by the Reserve Bank of India (RBI). The Reserve Bank's concern and involvement in the sphere of rural credit stemmed from its very statute of incorporation. Specific provisions were made in the Reserve Bank of India Act, 1934 both for the establishment of an Agricultural Credit Department (ACD) in the bank and for extending refinance facilities to the cooperative credit system. Emphasis was laid on setting up, strengthening and promoting financially viable provincial cooperative banks, central cooperative banks, marketing societies and primary agricultural credit societies in each province.



### Growth of Indian Co-operative Movement



\* Indian Co-operative Movement – A Statistical Profile 2009, Developed by National Resource Centre of NCUI, Page 29.

In 1958 the National Development Council (NDC) had recommended a national policy on cooperatives. **Jawaharlal Nehru** had a strong faith in the cooperative movement. While opening an international seminar on cooperative leadership in South-East Asia he his said “But my outlook at present is not the outlook of spreading the cooperative movement gradually, progressively, as it has done. My outlook is to convulse India with the Cooperative Movement or rather with cooperation to make it, broadly speaking, the basic activity of India, in every village as well as elsewhere; and finally, indeed, to make the cooperative approach the common thinking of India.” Therefore, the whole future of India really depends on the success of this approach of ours to these vast numbers, hundreds of millions of people.

The cooperative sector has been playing a distinct and significant role in the country’s process of socio-economic development. There has been a substantial growth of this sector in diverse areas of the economy during the past few decades. The number of all types of cooperatives increased from 1.81 lakh in 1950-51 to 4.53 lakh in 1996-97 and 595.2 lakhs societies in 2007-08. The total membership of cooperative societies increased from 1.55 crore 1950-51 to 20.45 crore in 1996-97 and 249 million membership in 2007-08.<sup>2</sup> The cooperatives have been operating in various areas of the economy such as credit, production, processing, marketing, input distribution, housing, dairying and textiles. In some of the areas of their activities like dairying, urban banking and housing, sugar and handlooms, the cooperatives have achieved success to an extent but there are larger areas where they have not been so successful. Co-operative societies would need to sharpen their core competencies and device market driven business strategies appropriate to their circumstances. They should also increase their effectiveness, improve their competencies and work in a professional manner to face increasing global competition from multinationals and bigger corporate business.<sup>3</sup>

## Highlights and Milestones

1. The Cooperatives were first started in Europe to serve the credit-starved people in Europe as a self-reliant, self-managed people movement with no role for the Government.
2. British India replicated the Raiffeisen-type cooperative movement in India to mitigate the miseries of the poor farmers, particularly harassment by moneylenders.
3. The first credit cooperative society was formed in Banking in the year 1903 with the support of Government of Bengal. It was registered under the Friendly Societies Act of the British Government.
4. Cooperative Credit Societies Act of India was enacted on 25th March 1904.
5. Cooperation became a State subject in 1919. In 1951, 501 Central Cooperative Unions were renamed as Central Cooperative Banks.
6. Land Mortgage Cooperative Banks were established in 1938 to provide loans initially for debt relief and land improvement.
7. Cooperatives have played an important role in the liberation and development of our country.
8. The word Cooperative has become synonymous for dedicated and efficient management of rural credit system.
9. Reserve Bank of India started refinancing cooperatives for Seasonal Agricultural Operations from 1939.
10. From 1948, Reserve Bank started refinancing State Cooperative Banks for meeting the credit needs of Central Cooperative Banks and through them the Primary Agricultural Cooperative Societies.

11. Only 3% of rural families availed farm credit in 1951.
12. In 1954, the All India Rural Credit Survey Committee recommended strengthening of DCC Banks and PACS with State partnership and patronage to solve the farmers financial requirements.
13. Registrar of Cooperative Societies became the custodian of Cooperatives from 1962 with the enactment of respective State Acts.
14. Reserve Bank introduced Seasonality and Scale of Finance for crop loans and provided for conversion, re-phasing and re-scheduling to tide over crop loss due to calamities.
15. The Primary Agricultural Cooperative Societies became multi purpose.
16. Reorganization of PACS into viable units, FSCS, LAMPS started under action programme of RBI in 1964.
17. The finding of All India Rural Credit Review Committee that coverage of cooperatives is limited to hardly 30% of farmers led to nationalization of Banks. However, Cooperatives have played a key role in meeting the credit needs of weaker sections of farmers.
18. The establishment of Regional Rural Banks from 1975 has not reduced the problems of rural credit as they reached only 6% of the farmers.
19. Cooperatives have contributed their part in the implementation of 20-point programme and Integrated Rural Development Programme.
20. Though the Cooperatives were lagging behind in rural credit till 1991, they regained their prime place with 62% share in rural crop loans between 1991 and 2001.<sup>4</sup>

## **Historical Profile of Cooperative Movement in India**

Around the world modern cooperatives have developed for over 200 years.<sup>5</sup> Cooperative institutions exist all over the world providing essential services which would otherwise be unattainable. In many Third World countries, cooperatives such as credit unions and agricultural organizations have been very successful in helping people to provide for themselves where private and other corporate capitals do not see high profitability. In 90 countries of the world, over 700 million individuals are members of cooperative institutions. Globally, cooperatives have been able to elevate its position as a powerful economic model. In some countries they are a sizeable force within the national economy. During the British rule, Nicholson a British Officer in India suggested to introduce Raiffersen model of German agricultural credit Cooperatives in India.<sup>6</sup> To enable formation of "agricultural credit cooperatives" in villages in India under Government sponsorship. With the enactment of 1904 Act, Cooperatives were to get a direct legal identity as every agricultural Cooperative was to be registered under that Act only. The 1904 Cooperative Societies Act, was repealed by 1912 Cooperative Societies Act which provided formation of Cooperative societies other than credit. Under 1919 Administrative Reforms act, Cooperatives was made a provincial subject making each province responsible for Cooperative development.

In 1942, the British Government enacted the Multi-Unit Cooperative Societies Act, 1942 with an object to cover societies whose operations are extended to more than one state. The impulses of the Indian freedom movement gave birth to many initiatives and institutions in the post independence era in India and armed with an experience of 42 years in the working of Multi Unit Cooperative Societies and the Multi-Unit Cooperative Societies Act, 1942, the Central Government enacted a comprehensive Act known as Multi State Cooperative Societies Act, 1984, repealing the Act of 1942. India has basically an agrarian economy with 72% of its total population residing in rural areas. The rural people need lot of services in daily life which are met by village co-operative societies. The seeds of cooperation in India were sown in 1904 when the first Cooperative Societies Act was passed.<sup>7</sup>

## **Structure and Significance of Cooperatives**

The cooperative structure in India consists of different constituents. At the bottom of this structure are the primary societies which render various types of services. Of this large number about 80% is concerned with agriculture. Most of these societies, about 60% deal with credit only. Thus a large majority of primary societies are related to agriculture and credit. They perform various functions such as credit, irrigation, marketing, transports etc. These are generally divided into two groups (i) credit societies and (ii) non credit societies. Cooperation in a vast country like India is of great significance<sup>6</sup> because:

- It is an organization for the poor , illiterate and unskilled people
- It is an institution of mutual help and sharing
- It softens the class conflicts and reduces the social cleavages
- It reduces the bureaucratic evils and follies of political factions
- It overcomes the constraints of agricultural development
- It creates conducive environment for small and cottage industries.

**The share of Co-operatives in National economy** is as follows:

Rural Net work (villages covered) - 100%  
Agricultural Credit disbursed by Co-operatives - 46.15%  
Fertilizer disbursed (6.049 million Tonnes) - 36.22%  
Fertilizer production (3.293 M.T. - N&P) Nutrient - 27.65%  
Sugar produced (10.400 million tonnes) - 59.0%  
Capacity Utilization of Sugar Mills - 111.5%  
Wheat Procurement (4.50 million tonnes) - 31.8%  
Animal Feed Production/Supply - 50%  
Retail Fair Price Shops (Rural + Urban) - 22%  
Milk Procurement to Total Production - 7.44%  
Milk Procurement to Marketable surplus - 10.5%  
Ice Cream Manufacture - 45%  
Oil Marketed (Branded) - 50%

Spindlage in Co-operatives (3.518 million) - 9.5%  
Cotton Marketed / Procurement - NA  
Cotton yarn/Fabrics Production - 23.0%  
Handlooms in Co-operatives - 55.0%  
Fishermen in Co-operatives (Active) - 21%  
Storage Facility (Village level PACS) - 65.0%  
Rubber processed and marketed - 95.0%  
Arecanut processed and marketed - 50%  
Direct employment generated - 1.07 million  
Self-Employment generated for persons - 14.39 million  
Salt Manufactured (18,266 Metric Tonnes) - 7.6%

The statistics<sup>8</sup> above indicates the modern cooperative movement has made tremendous progress in every walk of its activities and occupies a major place in the share of the national economy.

### **Why co-operatives?**

Cooperatives were established to defend ordinary citizens economically against rising monopolies, to include them in the economy by achieving economies of scale, and to have some control over the parts of the economy that were affecting them.<sup>9</sup>

The cooperative movement ensures the upliftment of all walks of people, through which without any socio-economic differences, the giver may become a receiver and after receiving, the receiver may become a giver.

Veteran leaders like **Mahatma Gandhi, Pandit Jawaharlal Nehru, Thanthai Periyar, Perarignar Anna, Indira Gandhi, Rajiv Gandhi** and **Kalaigarnar** have at times praised the importance of cooperative movement and reiterated that "Cooperation is prosperity of the country". Such a great movement had been weakened in the yester years.<sup>10</sup>

Cooperative Day celebration was started in 1924 by the International Cooperative Alliance. The main aim was to provide a forum for discussing the activities of cooperatives, to find out ways to improve them, to reach out to the general public and to involve them in development of cooperatives. In 1955, the Government of India decided that the celebration should be for a week as cooperative movement is very important for rural development and therefore there was a need to involve the public more and from that year onwards, cooperative week is being celebrated from 14<sup>th</sup> November to 20<sup>th</sup> November every year.

The road ahead is very difficult but not impossible. This can be achieved if all the cooperative institutions and their staff and well wishers work with a single objective. Needless to say, cooperatives are the best mechanism to bring about rural development. In Germany, Japan, West Europe and even in USA the rural credit and marketing is dominated by cooperatives, and that is why, they are prosperous. Therefore, we need to support cooperatives while at the same time we, the staff and officers must work doubly hard to ensure that the various incentives given by the government to revive cooperatives are properly utilized and the next year on the same day we proudly proclaim that the cooperatives in Tamil Nadu have finally arrived as a challenge to private enterprise and as a medium to increase people's welfare.<sup>11</sup>

The commencement of cooperative week also coincides with the birthday of Late Pt. Jawaharlal Nehru, the architect of modern India who was well aware of the relevance of cooperatives in building the nation.

It may be noted that most of the cooperatives in India are unaffected with the impact of the slow-down.<sup>12</sup> Rather the organizations like IFFCO, KRIBHCO, AMUL and other cooperatives have not only witnessed rapid growth in their turnovers and profits but also have shown stability and sustainability in the economic slow down. This was possible due to our faith and trust in cooperative values and principles. In today's context the



cooperative model based on trust and values is more relevant than the capitalist model where profit is the sole motive of the organization. The cooperatives have been the most effective and efficient organization even in the period of slow down as they have diversified in new areas and have come up with joint ventures of all types. In fact economic slow down has given an opportunity to cooperatives that they can successfully compete with other from of business organizations.

The cooperative model of economy has proved to be the safe and secure model which can provide a ray of hope to the common masses. Due to strong roots in the community in which the cooperatives are embedded, the cooperative model is governed by community consciousness. The cooperative model of development is unique as it does not depend on external influences like stock markets. It is a model which is owned and controlled by the people. The democratic principles of cooperatives are its life-blood. Every step is taken to ensure that the cooperatives do not fall prey to the evil influences of market. However, the present economic crisis shows that the cooperative model of development can fulfill the aspirations of the common people. The policy initiatives of the government in every field must explore the possibility of involving cooperatives so that the inherent strengths of cooperatives are allowed to flourish.

The cooperative movement in India has had a very long and illustrious history. During these 105 years, the movement has diversified manifold and has played a significant role in bringing about important socio-economic changes in different sectors of the economy. It is now a major force in important sectors like sugar, dairy, credit and fertilizers. Several cooperative brands have already become a house-hold name, not only in India but also abroad. However, with the advent of the market economy, the functioning of cooperatives has undergone a change. They are now transformed through adoption of professional, financial and administrative skills. The cooperative movement has proved to be an effective economic development model, which ensures inclusive growth.

Cooperative activities need to be carried out with credibility in order to win the confidence of the public. It is also necessary to take note of the emerging problems and realities and to equip oneself to cope up with such challenges effectively and with confidence. The general public should be motivated to join the cooperative movement to strengthen the economy by making the cooperative movement truly as a people's movement.

### **Spread of Co-operatives**

Although the first Co-operative Societies Act was passed in 1904, the co-operative movement gained its momentum after India attained independence. Today co-operative movement in India is the largest in the world. The movement has permeated through all walks of life i.e., agriculture, horticulture, credit and banking, housing, agro-industries, rural electrification, dairy, handlooms, consumers, tribals, agribusiness, HRD, information technology, etc.

India is a land of villages depending on cultivation. In order to relieve the peasants from the clutches of private money lenders and capitalists, the co-operative movement made its entry in 1878. But the Co-operative Societies Act 1904, signaled the birth of modern co-operative movement in India.

### **Cooperative Democracy and Good Governance**

Cooperatives have their unique distinction from other forms of economic enterprises in being democratic and autonomous. "Membership" is the most important entity in any cooperative. Being democratic means the members have all the right in the decision-making process of the society. However, since authority comes with responsibility, it becomes the duty of the members to make "informed decisions" by equipping themselves with the requisite knowledge and training. Good governance provides the structure through which the objectives of the cooperatives are set and the means of attaining them are in the interest of the society.

Governance in an investor-owned company is aligned with profit maximization while that in a cooperative is based on the cooperative spirit of providing service to its members. Since the members also happen to be “owners” of the cooperative, democratic control is an integral part of cooperative governance. Crucial to cooperative democracy is that any member can stand for and be elected to the board. There is a risk, however, that the need for qualification and experience could be compromised and the cooperative becomes management-driven. The answer to this dilemma is to co-exist with democracy.<sup>13</sup>

### **Cooperatives to get constitutional status**

The union cabinet on 29<sup>th</sup> October, 2009 gave its approval to the constitution (one hundred and tenth amendment) Bill, 2009 in the ensuing winter session of parliament for incorporation of special provisions relating to cooperative societies in the constitution.<sup>14</sup>

The salient features of the proposed amendment to the constitution are as follows:

- Insertion of new article 43B in Part IV of the constitution providing for the State obligation to promote voluntary formation, autonomous functioning, democratic control and professional management of the cooperative societies.
- Incorporation of cooperative societies on the principles of voluntary formation, democratic member control, member economic participation and autonomous functions.
- Conduct of election of a cooperative society by an independent authority.
- Fix term of five years of office bearers of the cooperative society.
- Super session of Board of cooperative society for a period of not exceeding six months.
- Independent professional audit of the cooperative societies.

- Convening of the general body meeting of every cooperative society within a period of six months of the close of the financial year.
- Access to every member of the society to the books, information and the accounts of the cooperative society.
- Filing of the returns by every cooperative society within six months of the close of the financial year.
- Free, fair, impartial and timely elections of cooperative societies by the State Election Commission or by any other appropriate and independent body as may be provided by State law.
- Audit of the cooperative societies to be carried by the auditors from the government approved panel of auditors or firms.
- Maximum number of 21 Directors to be applicable to all cooperative societies irrespective of their size, and
- Co-opted members not to be eligible to be elected as office-bearers of the board.

### **Cooperative Model of Micro Financing**

Different models have been adopted by different stakeholders for credit linkages of SHG i.e. NGO, SHG Bank model, Bank-SHG model, etc. Cooperative-SHG Model of micro financing is rather a latter version of SHG credit linkage model. It got a major boost in 1998-99 with the recommendation of Shri Y.C. Nanda Committee Report of the Task Force of NABARD. State Cooperative Acts of different states have been amended to include SHG as a member of cooperative to render required services to SHG. It is well accepted that SHG is more compatible to cooperative than any other system. SHG is a micro cooperative within a cooperative. Voluntary and open membership, democratic control, members share in economic and group activity, cohesiveness and mutual help are the essence of the cooperative-SHG compatibility. More over, this model paves the path for a 'win win situation' for both cooperatives and SHGs. The cooperative credit sector is in frantic search for new opportunities for business expansion and diversification. It is exploring the possibilities of identifying various avenues for deployment of

funds. Credit linkages of SHGs have provided these opportunities and helped in mobilizing low-cost deposit. Credit linkage of SHG has ensured optimization of deployment of funds with unprecedented recovery prospects. Within a short span of six years, till 2006-07 through initiatives of PACS and DCCB, as many as 48264 SHGs have been promoted and low-cost deposit of Rs.25.00 crores have mobilized in Orissa. Out of these, credit linkages have been facilitated in favour of 26220 SHGs with credit support of Rs.59.00 crores.

Underscoring the strides achieved by cooperative sector, in micro-financing, the International Cooperative Alliance has observed on the occasion of 83<sup>rd</sup> ICA International Cooperative Day and 11<sup>th</sup> United Nations International Day of Cooperatives, 2<sup>nd</sup> July, 2005 that "Access to finance and to financial services is essential to reduce poverty. Micro-finance is one way of assisting poor and low-income communities providing access to these services. Cooperatives are amongst the most successful micro-finance institutions. A cooperative approach to microfinance is based on encouraging self-help. It allows people to cooperate out of poverty as well as helping them from falling into poverty." In its message on the occasion of International Cooperative Day, the Food and Agriculture Organization of the UNO declares, "FAO recognizes the great potential for cooperatives in the provision of micro financial services to the people living in rural areas." The International Federation of Agricultural Producers makes this observation "Facilitation access to micro-finance services through strong cooperatives is a driving force for agricultural and rural development. This will allow family farmers to better control their destiny."<sup>15</sup>

Study of cooperative model of micro financing through PACS promoted SHG credit linkages presents startling revelations. The SHGs have become the centre of activities. Members have become proactive, enthusiastic, concerned and committed. This had paved the path for empowerment of women in true sense of the term. The stunning success of

Nari Jagruti Mahila Credit Cooperative in Talabasta, under Banki Sub-division Cuttack district, Nari Vikash Mahila Credit Cooperative, Bhusandapur, Tangi, in Khurda district are live testimony of the process of empowerment brought about through the concept of micro financing.

What is still more reassuring is the social recognition. Ordinary housewives with not so much of higher and professional education have grown up to assert the position as peer group wielding pressure and influence for development activities of village and area. The writer had opportunities of having interacted with the members of the above mentioned Self-Help Cooperatives. Self-Help Groups after achieving stability and making rapid strides in catering to Micro-Credit services over a period of time, graduated into Self-Help Cooperatives. One Smt. Reeta Rani Behera, a house-wife, with formal education up to Class X could wield social recognition to an incredible extent for her dedication, commitment and involvement in group activities of SHG. Her presence and involvement is sought after by the Panchayat, village community in development activities of the village, be it road, school-building, village bond, etc. She is attending to her normal obligation in the family. The lesson from Nari Vikash Mahila Self-Help Cooperative was different. Besides rendering micro-financing activities, the Self Help Cooperative under the valiant leadership of Mrs. Sanju Rani Behera a mere house-wife having been graduated from Self Help Group ventures to adopt prohibition in the village suburb of Bharatpur. Prohibition is not complete. But any member of the village restoring to physical assault on his wife or children under intoxication is destined to be ostracized. The self help cooperative also provides computer education to the children of members of the village at a nominal cost.

The members of the Women Self Help Cooperative stand united, generate common resources and render immediate assistance in case of exigency arising out of accident of fellow members. This could be possible only through the self help group. Prof. Mallom Harper, in his recent

presentation in Micro Finance India Conference 2007 held at New Delhi, in October 2007 made a succinct analysis of efficacy of DCCBs and PACS as the change agents of micro financing. DCCB, PACS and SHG credit linkages model promotes effective initiatives and guidance. An estimate indicates that SHG credit linkage to be realistic estimate indicates that SHG credit linkage to be realistic and effective requires more administrative acumen and better skills for management of funds. Besides, inadequate marketing infrastructure for procurement and marketing of products of SHG members and unremunerative prices deter the growth of SHG linkage and income generation cycles. Book keeping, transparency, fund management and leadership must grow in a self-sustainable manner. Mere quantitative growth in SHG linkage micro financing cannot foster financial inclusion. It is most imperative that growth and inclusion should be qualitative in orientation.

In order to make the concept of micro financing sustainable and qualitative, the PACS and DCCBs need to take up credit linkage of SHG aggressively yet selectively. Marketing infrastructure should be adequate, which must facilitate remunerative prices, operation of scale and encourage SHG members for optimum resource utilization. There is need for effective coordination with Organization Development Intervention (ODI) to make DCCB-PACS-SHG credit linkage commercially viable. Training, orientation and capacity building measures should focus on financial issues and must go beyond general principle of credit linkages. Micro financing has to be something more than credit linkage. The objective of micro financing to foster inclusive growth through reduction in poverty is therefore at best a means to an end rather than end in itself. It has to graduate from credit linkage to self-reliance so that micro financing can be sustainable and growth is inclusive.

The International Cooperative Alliance-Asia Pacific, the highest cooperative body at Asia Pacific region in collaboration with IFFCO organized a seminar at FMDI, Gurgaon, India, on 'Cooperatives-a better

Business Model: Emerging Opportunities' from October 23-24, 2009. The Chief Guest, Mr. Shil Kwan Lee, Regional Director, ICA Asia Pacific on this occasion said that the cooperatives have by and large remained unaffected by the global economic crisis, which otherwise has severely affected the investor owned corporate structures. He further said that AMUL, IFFCO, NCCF, Cooperative Banks and state level cooperatives have continued to achieve high level of business turnover and profits. The cooperative business model being members owned, member controlled and service oriented in nature certainly deserved to be a preferred form of economic models in the context of moral crisis of capitalism. He informed the delegates from five countries about the decision of UN to declare year 2012 as year for cooperatives.

Mr. Rajiv I.D. Mehta, Dy. Regional Director, ICA, Asia Pacific<sup>16</sup> presented the recommendations of the eighth Ministers' Conferences on Cooperative Policy & Legislation and laid emphasis on the need of an enabling policy environment to make cooperative legislation more effective, clear, simple and crisp.

The deliberations at the seminar resulted in the following strategic aspects:

- Cooperatives need to showcase their strength by sharing success stories of successful cooperatives to gain confidence of the stakeholders and policy makers.
- ICA and National Cooperative Federations should institute an Award for the best ten research papers on cooperatives in different sectors.
- Community Media to be more pronounced and directional.
- Cooperatives need to communicate more effectively with the primary members by using latest communication modes like SMS, voice messages for illiterate and visually impaired.



- The students in school and colleges must be given hands on experience on cooperatives as it would help build the social capital of the country.
- The meeting of the Research Committee should be held every year to learn from the research studies.

### **Better life by Cooperation**

Cooperation is a way not only for strengthening our democracy but also for carrying the people particularly weaker section of the community towards better life.

Several leaders, thinkers and writers have applauded the cooperation. Our great leader **Mahatma Gandhi** had said, "People were starved not for want of food but for want of the cooperative efforts". Follower of **Gandhi ji** and writer, **Kaka Sahel Kalelkar** had said. "Conflict and competition are the facts of the life. Cooperation is the law of life." Our ex-President late **Dr. Radha Krishnan** had said, "The cooperative movement occupies an important place in our scheme for building a socialist society and I hope all concerned with the movement will set an example to the rest of the community by efficient organization and selfless service for the welfare of the common people of the country." Our ex-Prime Minister late **Pt. Jawahar Lal Nehru** said, "No individual has, of course, absolute freedom. But if we value individual freedom."

As many of us do, how are we to find a balance between preserving that individual freedom and at the same time getting away from the clutches of an acquisitive society. The cooperative movement seems to offer a philosophy, which would aim at this kind of social pattern." Our ex-Prime Minister Late **Smt. Indira Gandhi** has said, "I know of no other instrument so potentially powerful and full of social purpose as the cooperative movement." A great cooperative leader Late **Shri Vaikunth L. Mehta** had

said, "No Society can rest on a really democratic basis, as some one has remarked, unless it applies the democratic method to its industry as well as to its agriculture. Such a democratic basis is provided by the cooperative form of organization."

In India, more than three fourth population lives in the villages. Though the agriculture has been main occupation in the villages, the conditions of agriculture and majority of the farmers continued from bad to worst before independence. Our food grains production was not sufficient to meet out requirement. We were dependent on import of food grains from other countries. About all small farmers were in the clutches of the moneylenders. They were compelled to borrow on high rate of interest from them. They were unable to repay loans life long. It used to be said that, "Indian farmer is born in debt, lives in debt and dies in debt."<sup>17</sup>

In the villages, handloom and other cottage industries were means of livelihood of those people who were not engaged in the agriculture but absence of proper policy of the British Government destroyed the cottage particularly handloom industry and made the lakhs of people jobless.

Before independence, cooperative movement in the country was not in good condition. In a major number of states, cooperatives were functioning either as private limited companies with cooperative sign-boards or as shops. These shops were being run by the office bearers in the Government. In fact, cooperative movement was in pitiable condition in the country before independence.

After independence, need of rapid development of country was felt for it, public sector and private sector were accepted. Besides, cooperative sector was also accepted as balancing sector. Cooperation was given an important place in economic and social development.

The National Development Council in the year of 1958 got exercised over the issue of cooperation. It realized that whether it is for bringing about a higher level of agriculture and industry or to realize the socialist pattern, cooperation had to play a major role in the new dispensation.

## **Profile of the U.T. of Pondicherry**

### **Introduction**

The Union Territory of Pondicherry comprises four erstwhile French Establishment of Pondicherry, Karaikal, Mahe & Yanam. These territories merged with Indian Union on 1<sup>st</sup> November 1954 in accordance with the defacto agreement between the Government of India and France signed on 21st October 1954. A popular Government took over the administration of Pondicherry on 1<sup>st</sup> July 1963 and the de jure transfer of Pondicherry to the Indian Union took place on 16<sup>th</sup> August 1962. These four regions are not geographically contiguous and are separated from one another. Pondicherry and Karaikal regions are embedded in the South Arcot and Nagapattinam districts respectively of Tamilnadu. While Yanam is encircled by the East Godavari District of Andrapradesh, Mahe region is enclaved within the conclave of the Cannanore district of Kerala. While Karaikal region is about 150 kms South of Pondicherry. Yanam region is located about 840 kms North East and Mahe region lies almost parallel 653 kms away on the West Coast. The total area of the territory is about 492 sq.km with the Pondicherry region accounting for as much as 293 sq.km followed by Karaikal (160 sq.km), Yanam (30 sq.km) and Mahe (9 sq.km).

Paddy, Pulses, Groundnut, Sugarcane & Cotton are the principal crops cultivated in the U.T. of Pondicherry, and the total net area sown is 20,733 Hectares.

## **Union Territory Administration**

Pondicherry is a Union Territory of India, not a separate state, governed directly by the Central Administration in New Delhi. Pondicherry is among the two Union Territories (including Delhi) which have the constitutional amendments to have a legislative assembly and a Cabinet of Ministers headed by a Chief Minister. The Pondicherry Municipal Council takes care of the Civil Administration of the city.

The Union Territory is administered by the Lt. Governor who resides at Raj Nivas, the former palace of the French Governor. The Lt. Governor is appointed by the President of India and is responsible for the General Administration of the Territory. The Central Government is more directly involved in the financial well-being of the territory through budgeted central grants; as against the states where financial administration is the responsibility to the State Government.

After the defacto transfer, the new Administration in Pondicherry initiated cooperative movement. The French Administration in Pondicherry was following the 'Laissez-Faire' policy before independence was the people of Pondicherry were alien to the concept of cooperative movement. The Madras Cooperative Societies Act, 1932 (Act VI of 1932) was extended to Pondicherry in the year 1955 and was officiated by the Tamilnadu officials on deputation to Pondicherry. Thus the steps been initiated to start Cooperatives in the Union Territory of Pondicherry.

## **Financing Institutions in the U.T. of Pondicherry**

As at the end of March 2008, there were 38 Banking Institutions with a total network of 126 Branches operating in the U.T. of Pondicherry. In addition, one RRB has also been opened in March 2008 taking the total to 39. The 36 Commercial Banks with 105 Branches, the Pondicherry State Co-op. Bank with 21 Branches, 52 PACS and Pondicherry Co-op. Central Land

Development Bank with one Branch were taking care of the Short Term and Long Term banking and credit requirements of the U.T. of Pondicherry of the 126 Branches, 47 Branches were in rural areas. The average population served per branch was placed at 7732, and when the RRBs opened another 24 Branches as per their Plan, then the average population served per branch would be reduced further.<sup>18</sup>

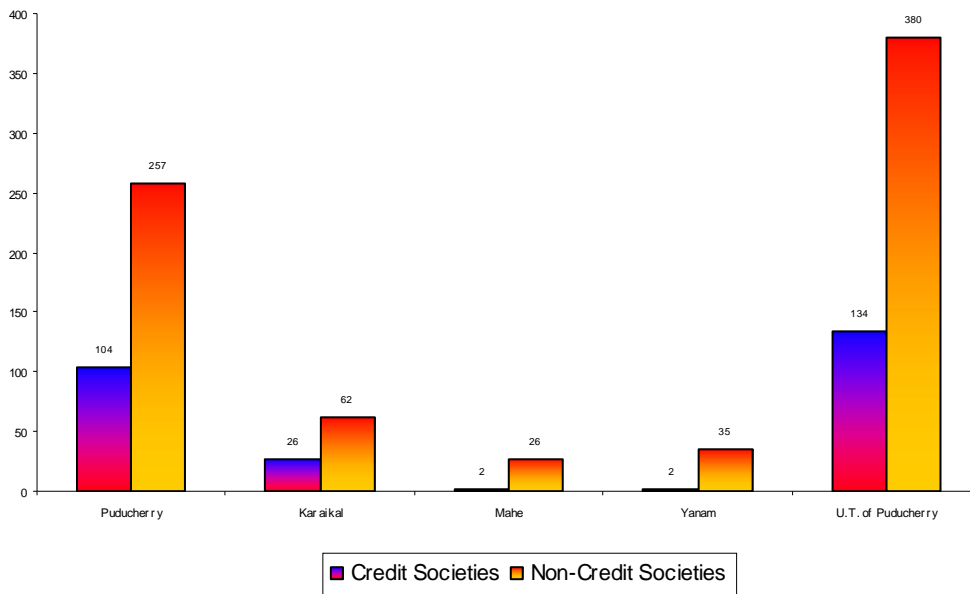
Cooperation has always been acknowledged as the catalyst for the golden principle of “all for each and each for all”. The cooperative movement in Pondicherry originated in the wake of its liberation from the French Rule in 1954. Pondicherry State Cooperative Bank was one among the pioneering institutions to be established in 1958, with a view to ameliorate the indebted cultivator in the rural areas. Realising that credit is the lifeblood of all economic activities. It has been channelising the funds received from Reserve Bank of India and the NABARD to primary credit societies at lower rate of interest. The bank has helped the UT to realize the idea of “better farming”, better business and better living” through the farmers of the Union Territory of Pondicherry.

Today, the Bank is not only the purveyor of money, but also the manufacture of it. There has been consistent increase in share capital, reserves, deposits, loans and advances and investment of the Bank. The contribution of this bank to the implementation of various economic policies of the Government of Pondicherry has also been really considerable.<sup>19</sup>

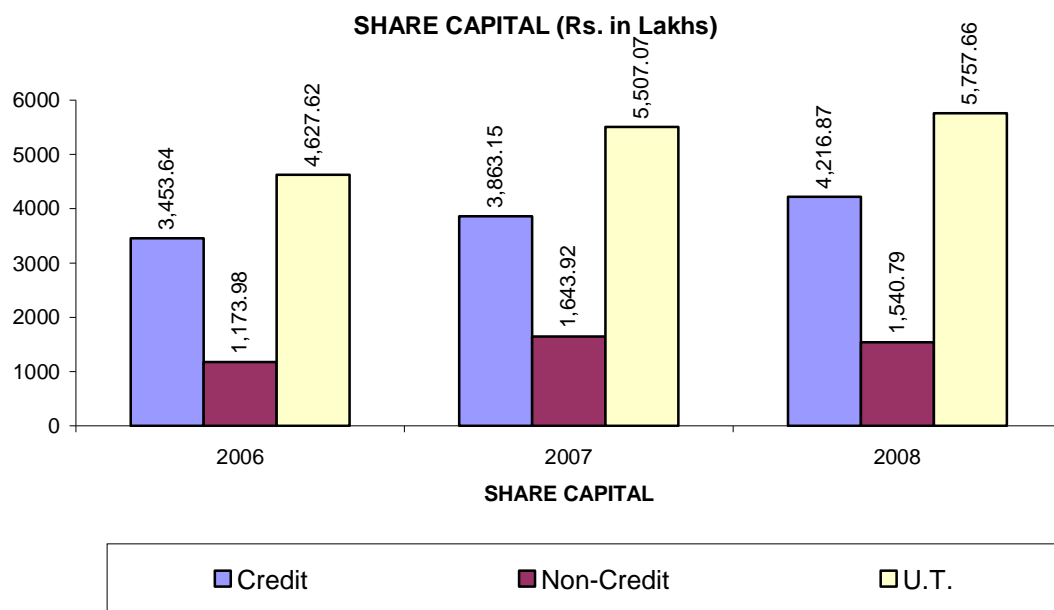
### **Co-operative movement in the Union Territory of Pondicherry**

Though the Union territory of Pondicherry joined in the co-operative movement after its merger with Indian Union in 1954, it had made a rapid growth by achieving its desired goals as the ‘Co-operation’ has given its due importance in all Five Year Plans.

### Number of Co-operative Societies in 2007-08-Region Wise

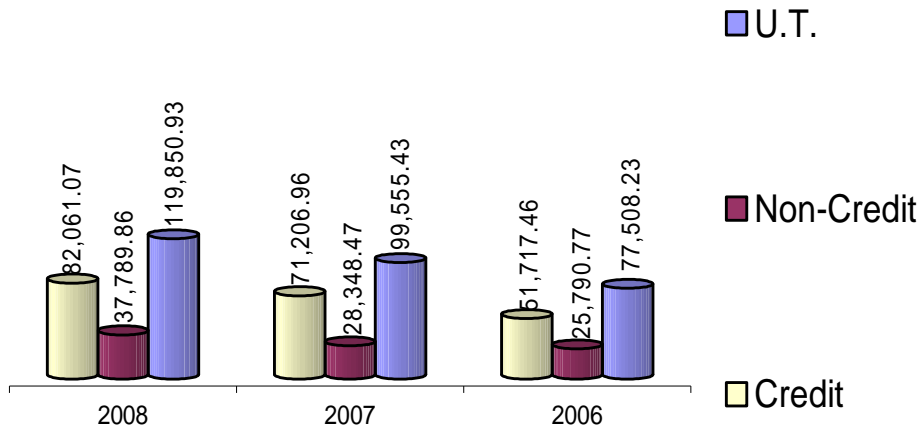


Source : Annual Administrative Report 1998-2008, Cooperative Department, Govt. of Puducherry.



Source : Annual Administrative Report 1998-2008, Cooperative Department, Govt. of Puducherry.

### WORKING CAPITAL (Rs. in Lakhs)



Source : Annual Administrative Report 1998-2008, Cooperative Department, Govt. of Puducherry.



## Progress of Co-operation

The Co-operative movement in Pondicherry has gained momentum and this is evident from the following table.

### Progress of Co-operation (1971-72 to 2007-08)

Details	1971-72	1981-82	1991-92	2001-02	2004-05	2005-06	2006-07	2007-08
No. of Societies	181	292	369	482	497	501	510	514
No. of Membership	50,040	1,74,451	3,38,804	3,93,256	5,04,840	5,24,998	5,37,599	5,48,350
Total working capital*	511.82	233.26	15,219.01	35,584.30	78,044.42	77,508.23	99,555.43	1,19,850.93
Share capital paid*	74.18	460.13	2,239.24	10,743.45	13,926.82	17,283.76	20,479.56	21,942.19
Population* (Nos.)	4.71	6.04	8.07	9.74	9.74	9.74	9.74	9.74
Average working capital*	109.30	38.60	1,885	3,65,717	8,012.73	7,957.72	10,221.30	12,305.02

\*Figures in lakhs

Source : Annual Administrative Report 1971-2008, Cooperative Department, Govt. of Pondicherry.

## Co-operative Societies

### Region-Wise Breakup of Number of Societies As on 31-01-2008

Sl. No.	Type of Societies	No. of Societies				
		Pondicherry	Karaikal	Mahe	Yanam	Total
<b>I.</b>	<b>CREDIT SOCIETIES</b>					
1.	State Co-operative Bank	1	-	-	-	1
2.	Central Land Development Bank	1	-	-	-	1
3.	Urban Bank	1	-	-	-	1
4.	Primary Agricultural Credit Societies	46	6	1	-	53
5.	Staff/Employees Credit Societies	55	20	1	2	78
	<b>SUB-TOTAL-I</b>	<b>104</b>	<b>26</b>	<b>2</b>	<b>2</b>	<b>134</b>
<b>II.</b>	<b>NON-CREDIT SOCIETIES</b>					
6.	State Co-operative Union	1	-	-	-	1
7.	Marketing Societies	1	1	-	-	2
8.	Sugar Mills	1	-	-	-	1
9.	Milk Producer's Co-operative Societies	102	20	-	1	123
10.	Fishermen Co-operative Societies	33	16	2	13	64
11.	Spinning Mills	1	1	-	-	2
12.	Weavers Co-operative Societies	14	1	1	-	16
13.	Housing Co-operative Societies	51	3	1	2	57
14.	Industrial Co-operative Societies	11	-	1	2	14
15.	Industrial Women Co-operative Societies	3	2	2	3	10
16.	Consumer Co-operative Stores	14	2	3	1	20
17.	Students Co-operative Stores	13	13	6	2	34
18.	Irrigation Co-operative Societies	4	-	-	-	4
19.	Labour Contract Co-operative Societies	3	-	1	1	5
20.	Transport Co-operative Societies	1	1	3	2	7
21.	Other Non-Credit Societies	4	2	5	9	20
	<b>SUB TOTAL-II</b>	<b>257</b>	<b>62</b>	<b>25</b>	<b>36</b>	<b>380</b>
	<b>GRAND TOTAL (I+II)</b>	<b>361</b>	<b>88</b>	<b>27</b>	<b>38</b>	<b>514</b>

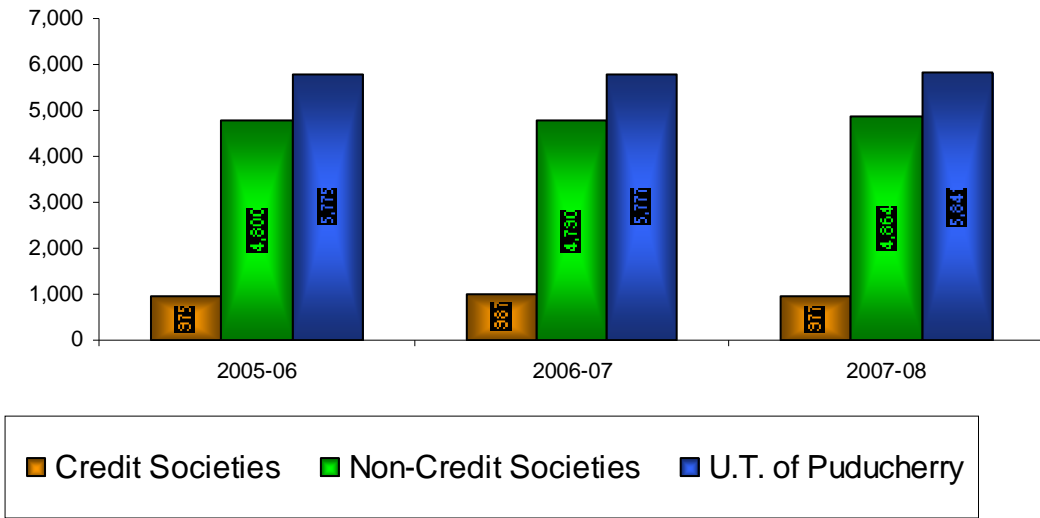
### Membership, Share Capital and Working Capital of Co-operative Societies

Sl. No.	Type of Societies	Membership (Nos.)	Share capital	Government Share	Working Capital
<b>I.</b>	<b>CREDIT SOCIETIES</b>				
1.	State co-operative Bank	284	855.18	187.84	35,990.56
2.	Central Land Development Bank	13,843	61.91	255.00	1,728.59
3.	Urban Bank	23,197	530.16	-	11,189.87
4.	Primary Agricultural Credit Societies	91,175	293.39	602.89	10,940.09
5.	Staff/Employees Credit Societies	37,209	2,476.23	-	22,211.96
	<b>SUB-TOTAL-I</b>	<b>1,65,528</b>	<b>4,216.87</b>	<b>1,045.73</b>	<b>82,061.07</b>
<b>II.</b>	<b>NON-CREDIT SOCIETIES</b>				
6.	State Co-operative Union	33	-	-	-
7.	Marketing Societies	696	4.54	501.87	890.90
8.	Sugar Mills	13,408	412.78	5,830.65	8,935.25
9.	Milk Producer's Societies	47,507	95.45	282.81	1,102.67
10.	Fishermen Societies	54,228	23.91	81.69	270.98
11.	Spinning Mills	1,095	19.44	4,358.25	6,447.31
12.	Weavers Societies	21,913	47.14	818.25	1,166.40
13.	Housing Societies	32,272	730.38	499.76	15,296.25
14.	Industrial Societies	1,316	5.10	192.90	248.89
15.	Women Industrial Societies	890	2.82	123.74	146.01
16.	Consumer Stores	53,710	59.31	2,353.02	2,860.56
17.	Students Stores	1,52,521	16.63	3.10	36.60
18.	Irrigation Societies	84	0.21	-	1.29
19.	Labour Contract Societies	566	39.22	2.39	53.59
20.	Transport Societies	553	5.07	23.25	52.06
21.	Other Non-Credit Societies	2,030	78.79	67.12	281.10
	<b>SUB TOTAL-II</b>	<b>3,82,822</b>	<b>1,540.79</b>	<b>15,138.80</b>	<b>37,789.86</b>
	<b>GRAND TOTAL (I+II)</b>	<b>5,48,350</b>	<b>5,757.66</b>	<b>16,184.53</b>	<b>1,19,850.93</b>

### Sector-Wise Details of Societies As On 31-03-2008

Sl. No.	Particulars	No. of Societies			Total
		Apex	Central	Primary	
1.	State Co-operative Union	1	-	-	1
2.	State Co-operative Bank	1	-	-	1
3.	Land Development Bank	-	1	-	1
4.	Urban Bank	-	-	1	1
5.	Sugar Mills	-	-	1	1
6.	Spinning Mills	-	-	2	2
7.	Marketing Societies	-	2	-	2
8.	Dairy Societies	-1	1	121	123
9.	Employees Credit Societies	-	-	78	78
10.	Housing Societies	1	1	55	57
11.	Agricultural Credit Societies	-	-	53	53
12.	Consumer Stores	1	1	17	19
13.	Weaver's Societies	1	-	15	16
14.	Irrigation Societies	-	-	4	4
15.	Industrial Societies	1	-	13	14
16.	Labour Contract Societies	-	-	5	5
17.	Transport Societies	-	-	7	7
18.	Women Societies	-	-	10	10
19.	Other Non-Credit Societies	-	-	22	22
20.	Students Stores	-	-	34	34
21.	Fishermen Societies	1	-	62	63
	<b>TOTAL</b>	<b>8</b>	<b>6</b>	<b>500</b>	<b>514</b>

**EMPLOYMENT IN CO-OPERATIVES (in Nos.)**



Source : Annual Administrative Report 1998-2008, Cooperative Department, Govt. of Puducherry.

### The Employees of Co-Operative Societies 2007-2008

Sl. No.	Type of Societies	No. of Employees
<b>I.</b>	<b>CREDIT SOCIETIES</b>	
1.	State Co-operative Bank	222
2.	Central Land Development Bank	28
3.	Urban Bank	153
4.	Primary Agricultural Credit Societies	434
5.	Staff/Employees Credit Societies	140
	<b>SUB-TOTAL-I</b>	<b>977</b>
<b>II.</b>	<b>NON-CREDIT SOCIETIES</b>	
1.	Marketing Societies	51
2.	Sugar Mills	703
3.	Milk Producer's Societies	1007
4.	Fishermen Societies	79
5.	Weavers Societies	260
6.	Industrial Societies	88
7.	Spinning Mills	1092
8.	Consumer Stores	869
9.	Women Industrial Societies	75
10.	Housing Societies	274
11.	Transport Societies	25
12.	Students Stores	14
13.	Other Non-Credit Societies (Agri.) Landless Labourers/Canteen	276
14.	State Co-operative Union	51
	<b>SUB TOTAL-II</b>	<b>4864</b>
	<b>GRAND TOTAL (I+II)</b>	<b>5841</b>

During the Second Five Year Plan, a Co-operative Central Bank (in 1958) and a Land Mortgage Bank (in 1960) were established. Two marketing societies, one each at Pondicherry and Karaikal, were started.

The achievement during the Third Five Year Plan were the re-organization of the rural primary societies, construction of godowns, development of consumer co-operatives, establishment of co-operative housing societies, development of agricultural marketing and the organization of farming societies.

During the Fourth Five Year Plan, consolidation and strengthening of the co-operative movement received special attention. During this period, not less than 30% of the co-operative credit for productive purpose went to small and marginal farmers. Twelve lift irrigation co-operatives were also organized to increase agricultural production.

During the Fifth Five Year Plan, establishment of functional link between agricultural credit and marketing and also between consumer co-operatives and marketing societies was noteworthy. Labour co-operatives were started in rural areas.

During the Sixth Five Year Plan, a co-operative sugar mill, a co-operative spinning mill and the co-operative consumer federation were set-up in Pondicherry. The co-operative dairy was expanded. A junior level co-operative training institute to impart training at various levels was also established during this period.

The Seventh Five Year Plan concentrated on democratic management of co-operative societies, rural infrastructure for agro-planning, storage and common facilities, to strengthen institutional structure of co-operatives at all levels.

Business development plan was implemented for revitalizing the co-operative structure in the Eighth Five Year Plan.

The development programmes under the Ninth Five Year Plan covered agricultural credit, consumer, weaker sections and industrial co-operatives, co-operative education, training and development of human resources.

During the Tenth Five Year plan period new creation of co-operatives in the areas like transport, labour contract societies, computer societies, fruits and vegetables, housing etc., were developed.

The development programmes under eleventh five year plan covered one Co-operative Handicrafts and Handlooms Federation established to improve the source of income mainly to the rural people.<sup>20</sup>

### **Administrative Setup**

Registrar of Co-operative Societies is the Head of the Co-operative Department as in any other state. He/She is vested with the task of co-ordination of co-operative movement with overall administrative control of co-operative societies in the Union Territory of Pondicherry. This being a small Union Territory, there is no other Functional Registrar. He/She is in the Rank of Secretary to the Government of Pondicherry.

Joint Registrar of Co-operative Societies is assisting the Registrar of Co-operative Societies in all technical matters including implementation of various provisions of the Pondicherry Co-operative Societies Act and various development programmes. He/she also is the Head of Office and controlling officer for Group 'C' and 'D' staff of Co-operative Department, Pondicherry being a departmental employee.

Deputy Registrar (Planning & Legal) deals with formulation of plan scheme, Staff requirements/Employees Co-operative Credit Societies, Pondicherry State Co-operative Union, Co-ordination, Public Relations and legal matters.

Deputy Registrar (Handlooms) deals with Weavers Co-operative Societies and Co-operative Spinning Mills.

Deputy Registrar (Consumer) deals with consumer co-operative societies, including Pondicherry State Co-operative Consumer's Federation and Wholesale Stores, Co-operative Sugar Mills, Students Co-operative Stores and other miscellaneous and industrial societies.

Deputy Registrar (Dairy) is dealing with Pondicherry Co-operative Milk Producers Union, Milk Producers' Co-operative Societies, dairy development activities and related administrative control.

Deputy Registrar (Credit & Housing) is looking after the Agricultural Credit Societies, Pondicherry State Co-operative Bank, Central Co-operative Land Development Bank, Co-operative Urban Bank Ltd., Co-operative Marketing Societies and Lift irrigation Co-operative Societies and Housing Co-operatives.

Deputy Registrar (Audit) deals with Audit, Arbitration, Execution and Liquidation.

Senior Accounts Officer deals with appropriation of funds for different activities, preparation of budget/PAC and other accounts matters.

One Deputy Registrar of Co-operative Societies is dealing with control, supervision and guidance of all co-operative societies at Karaikal region.

One Deputy Registrar of Co-operative Societies also deal with the control, supervision and guidance of all co-operative societies at Mahe region.

Co-operative Officer (Co-operative Sub-Registrar) deals with control, supervision and guidance of all co-operative societies at Yanam region.

### **The Pondicherry State Co-operative Bank**

The Pondicherry State Co-operative Bank was registered as a Co-operative Society on 10<sup>th</sup> October 1958 and started functioning on 30<sup>th</sup> October 1958. The Pondicherry State Co-op. Bank is the Apex Bank in the two tier structure prevailing in the Union Territory. Prior to establishment of the Pondicherry State Co-op. Bank, the societies in Pondicherry & Karaikal region have availed credit facilities from the South Arcot District Central



Co-op. Bank and Kumbakonam Central Co-operative Bank respectively. Similarly, the societies in Mahe & Yanam regions availed credit from Tellicherry Co-operative Bank, and Kakinada Central Co-operative Bank respectively. The Pondicherry State Co-operative Bank has started its business with a Share Capital of Rs.6.73 lakh, and a Working Capital of Rs.11.77 lakh.<sup>21</sup> As a scheduled bank, it takes care of banking activities for its clients, through its network of 21 branches in all the four regions, offering all type of banking service to its customers. It is gratifying to note that the Bank in the span of 50 years has emerged as a leader of cooperative movement almost in the walks of Pondicherry economy.

The Cooperative movement is a democratic movement as it is based on people's participation. The cooperative sector has strengthened our economy in every field. The success of our economy cannot be visualized without the significant contribution of the cooperative movement.<sup>22</sup>

The bank is performing a very predominant role in financing agricultural sector and is basically involved in the development of all cooperative institutions.<sup>23</sup>

Co-operative banks are an integral part of the Indian Financial System, by virtue of their role in rural financing. These Banks play a pivotal role in bringing about the Socio-Economic transformation by democratic means.<sup>24</sup>

The Pondicherry State Co-operative Bank's role in development of cooperative movement amongst individuals and institutions remains indelibly etched in the banking history of the Union Territory.<sup>25</sup>

The Cooperative banks have a history of almost 105 years and they are important constituent of the Indian financial system. One of the main objectives of establishing of Co-operative banks is to provide timely credit to the needy, especially to the people in rural areas and urban slums for improving the quality of life.<sup>26</sup>

In India, the share of agriculture in country's GDP, although declined from 43% in 1970s, is still about 21%. But more importantly, a very large section of the population is still dependent on agriculture. Although agriculture plays such an important role in Indian economy, the reach of the commercial banks is much lower in rural areas compared to urban areas. Population per branch in rural areas is 16,650 as against 13,619 in urban areas. But, the number of deposit account in rural areas per 1000 population is 270, as against 283 in urban areas. Similarly, number of credit account per 1000 population in rural area is 64, as against 104 in urban areas. A recent study has revealed that over 40% of rural households are not included in the formal financial system. With such a large portion of population out of formal banking system, the nation can never the equitable growth. The figures clearly show that commercial banks have failed to reach out to the rural masses and the branch expansion in rural areas has not kept the pace. It is due to this reason that the State Co-operative Banks, with intricate knowledge of local area, assume a significant role. The share of Co-operative banks in rural credit is presently 27.3% as against 24.5% of all commercial banks taken together.<sup>27</sup>

The issue of extending recapitalization assistance/support to Co-operative Credit Institutions (CCIs) for their revival and revitalization has been under consideration since the beginning of 1990's. A number of committees such as JNL Srivastava Committee (1996), Working Group on Agricultural Credit and Cooperatives appointed by Planning Commission (1996 and 2001), Cabinet Note of Ministry of Agriculture, GOI, approved by Committee of Secretaries, GOI, on 4.11.1997-Expert Group to fine tune the suggestions, Jagdish Capoor Task Force (2000), ECRC (2000), Joint Committee on Revitalisation Support to Cooperative Credit Structure popularly known as Vikhe Patil Committee (2001) etc. recommended the urgent need for recapitalization of CCS. The Capoor Task Force report has been very widely discussed and infact the recommendations have been perused by Chief Ministers in the Conference convened by Government of

India which was presided by the then Hon'ble Prime Minister of India. The then Hon'ble Union Finance Minister during interim budget 2004-05 announced that a Scheme to revitalize the cooperative credit structure envisaging an outlay of about Rs.15,000 crores to be shared between the Central and State Governments in appropriate ratio has been prepared. However, the Scheme announced by the then Hon'ble Union Finance Minister was neither finalized nor implemented.

The United progressive Alliance Government as a part of their Common Minimum Programme (CMP) on Rural Cooperative Credit System included the Rural Cooperative Credit System and announced that the rural cooperative credit system will be nursed back to health, UPA Government will bring forward constitutional amendments to ensure democratic, autonomous and professional functioning of the cooperative etc. As a part of the CMP, the above Task Force was setup on Revival of Cooperative Credit Institutions under the Chairmanship of Prof. A. Vaidyanathan.<sup>28</sup>

Agriculture is the back bone of our Nation. Indian Agriculture has been described as a gamble in the monsoon. As per the old saying our Indian farmers born in debt, lives in dept and dies in debt and leave their successors in debt. To overcome all these issues and as a rescue to our farmers cooperatives came into existence to save the farmers from the clutches of money lenders under the shield of various cooperative societies act and rules.

The Cooperative movement aims at the upliftment of social and economic status of the people in the society through its various principles. In order to realize the basic objectives of the cooperative movement and to strengthen it Government mainly lends its support as a self sustaining instrument of economic development.

On these analogies the Pondicherry State Cooperative Bank, an apex bank, which was established in the year 1958 is playing a vital and predominant role in the developmental service of agriculture and allied activities as agriculture is the back bone of our nation. In 1980 there were 95 PACS in Union Territory of Pondicherry. Under the reorganization programme formulated by the Reserve Bank of India for insuring the viability of the PACS by enhancing their area operation, the non-viable units were either liquidated or even merged with adjoining PACS. As the result of this organization there are 52 PACS functioning now in the Union Territory of Pondicherry. The Pondicherry State Cooperative Bank functions as a king pin for the smooth revolvment of agriculture and cooperative credit wheel in this Union Territory of Pondicherry.<sup>29</sup>

### **Short Term Credit Structure**

In the Union Territory of Pondicherry two-tier system is in vogue and the Pondicherry State Cooperative Bank is functioning as the Apex financing agency for all cooperatives and for the agricultural credit sector this bank is extending agricultural credit facilities through its 52 affiliated PACS functioning in this Union Territory of Pondicherry.

### **Performance of the Bank in Issue of Seasonal Agricultural Operation (SAO) Loans**

Under the Farm Credit Package announced by the Government of India during May 2004, main thrust has been given for doubling of Agriculture Credit in 3 years, and towards this direction there should be 30% increase in Farm Credit Advances by Banks during 2004-05 over and above the last year. As against the target of Rs.1058.00 lakhs our bank issued farm credit loans to the extend of Rs.12551.61 lakhs during the year 2004-05, and the percentage of achievement was 118%, and during the year 2005-06, as against target of Rs.1375.00 lakhs, our Bank issued Farm Credit loan to the extent of Rs.1375.52 lakhs, and the percentage of achievement was 100%.

During the year 2006-07, the Bank had issued crop loans to the extent of Rs.7.78 crores, as against target of Rs.150.41 crores fixed to our Bank for issue of loans for Farm Sector.

During the currency year 2007-08 upto June 2007, the bank issued Farm Sector loans to the extent of Rs.1.28 crores.

### **Kisan Credit Card/Personal Accident Insurance Scheme**

The Bank had covered all the eligible farmers under Kisan Credit Card Scheme (KCC), and as at the end of March 2008 the bank issued 6815 Kisan Credit cards through 52 PACS functioning in the Union Territory of Pondicherry.

The Bank covered all the Kisan Credit Card holders under the Personal Accident Insurance Scheme (PAIS). As a part of social gesture the bank itself bearing the entire cost of premia on behalf of the farmers, and on behalf of the PACS.

### **Coverage of Small Farmers/Marginal Farmers/New Farmers**

During the year 2006-07, the Bank issued Farm Sector Loans to 3,530 members of PACS, and out of this as many as 3,055 members are Small Farmers/Marginal Farmers, and in terms of percentage of issue of loans to small farmers/marginal farmers was 87%. During the year 2005-07, the Bank had issued agricultural loans to 351 new members of PACS and the bank issued loans to 131 oral lessees and 328 tenant farmers. Likewise during the year 2007-08, the PSC Bank has issued SAO loans to small farmers/ marginal farmers to the extent of Rs.587.25 which works out to 72%.

Besides the issue of Agricultural loans, all the Primary Agricultural Cooperative Societies were issuing jewel loans to Agriculturists at concessional rate of interest and during the year 2006-07, the PACS issued jewel loan to the tune of Rs.51.870 crores and thus saved them from the clutches of Money lenders.

Under this scheme, the Pondicherry State Cooperative Bank Ltd., Has provided Refinance facility to PACS for a tune of Rs.7.76 Crores. During the year 2006-07, the PACS have issued loans to the tune of Rs.89.23 crores to its members of which Agriculture and jewel loan alone accounts for Rs.13.86 crores and Rs.51.86 crores respectively.

### **Agriculture and Allied Activities**

Apart from the issue of crop loans to the members, the bank is also issuing investment loan, and for allied activities. During the year 2006-07, the bank issued loan for allied activities to the extent of Rs.22.73 lakhs to 60 members.

### **Financial Assistance to PACCS Under Cooperative Development Programe**

Agriculture is an important sector of the economy. Therefore, cooperatives were assigned a place of pride in the tasks of promoting agriculture development. As is well known, the major inhibiting factor in our agricultural sector had been the abject poverty and the consequent paucity of funds in the hands of agriculturists. Provision of timely, adequate and cheap credit was considered to be the sine qua non for breaking the vicious circle in our agriculture. Cooperatives have undertaken this onerous task and have achieved commendable success too. The Pondicherry State Cooperative Banks Ltd., is the apex cooperative bank and the Central Financing Agency in the cooperative sector challenging the fund received from Reserve Bank of India to Primary Credit Societies at a lower rate of interest. It provides short term, medium term and long term credit to the farmers and is refinancing the primary cooperative societies besides mobilizing savings. It provides credit for a variety of purposes like minor, irrigation, farm mechanism, land improvement, land reclamation and the purchase of agriculture machineries, such as tractor, trailers and other power fillers etc.,<sup>30</sup>

The cooperatives are able to meet a major portion of the credit requirements of farmers, irrespective of caste, creed, wealth or status. The primary cooperative societies here neither operated nor well but most of the farmers today feel fatuities a matter of their birth right to desire financial assistance from the cooperatives. Speaking in terms of statistics, the membership of Primary Credit Societies has increased from 9,000 in 1960-61 to 37,000 in 1986-87, shown a growth of 91,175 in 2008. The Bank is implementing welfare scheme under Cooperative Development Programme through 52 Primary Agricultural Cooperative Credit Societies functioning in the Union Territory of Pondicherry. The financial assistance provided by the Government for various schemes is furnished as hereunder.

**Assistance Released Under Plan Scheme  
For The Year 2005-06, 2006-07, 2007-08, 2008-09**

S.No.	Particulars	2005-06	2006-07	2007-08	2008-09
1.	Share Capital contribution by the Government	76.00	105.00	25.00	45.08
2.	Women Share capital contribution	5.60	2.50	0.30	-
3.	Share Capital contribution to S.C. Members	4.00	4.00	0.30	-
4.	Assistance for tractor hire charges	38.62	50.29	51.90	51.68
5.	Assistance for infrastructure under BDP	6.14	18.49	-	14.50
6.	Assistance for purchase of farm Machineries	16.19	13.76	3.00	-
7.	Assistance for construction of Building/ Godown	10.00	4.07	15.00	-
8.	Assistance for purchase of computer	2.00	10.50	-	-
9.	Assistance of 3% rebate for crop Loan against prompt payment	7.00	6.00	-	-
10.	Grant for Interest subvention	-	-	-	18.63
11.	Grant for Agricultural waiver scheme of PACS (Under State Government scheme)	-	550.00	-	501.30
12.	Assistance to PACS towards Rent and staff subsidy for new societies	-	-	1.00	0.80

## Awards

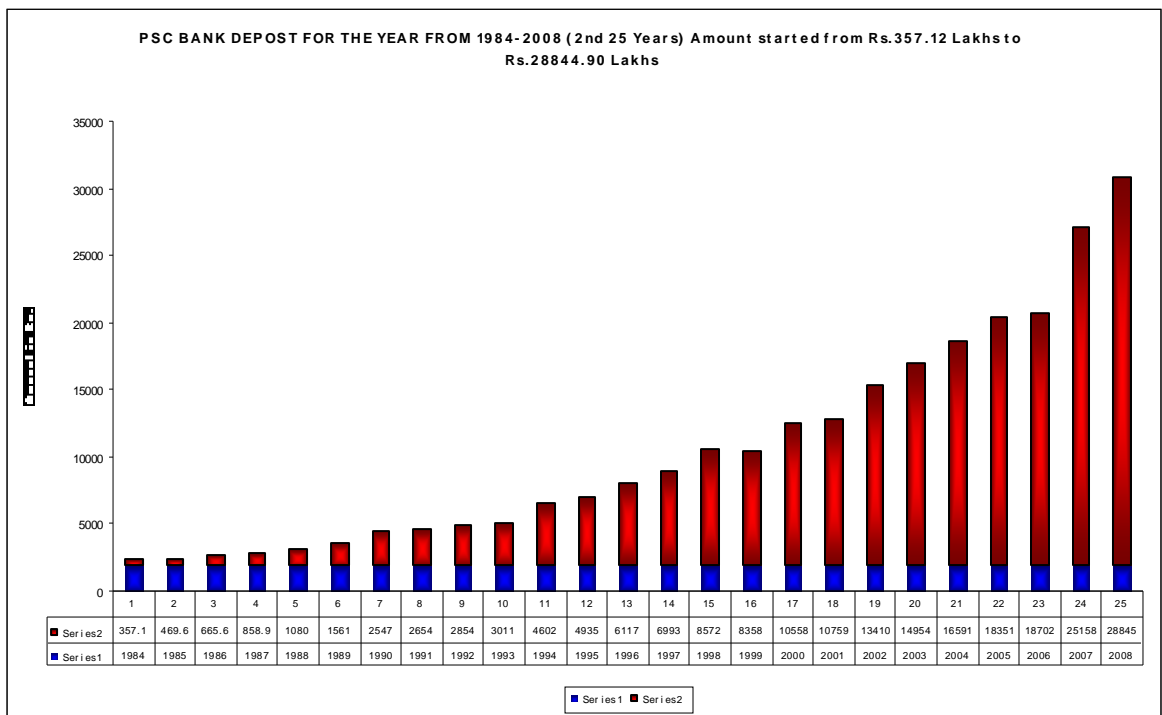
The bank now glittering with flying colours, has so far been awarded 19 awards as a mark of appreciation of service rendered by the bank in all walks of development of the bank.

### Fifty Years of Performance of PSCB

Month	Year	Deposits	Loans	Profit/Loss	Branches	Staff
		Rs.	Rs.	Rs.	Nos.	Nos.
June	1959	1.54	9.91	0.13	1	10
June	1960	6.21	13.82	0.40	1	18
June	1961	8.55	31.86	0.43	1	25
June	1962	9.04	25.11	0.86	1	29
June	1963	10.14	46.94	1.22	1	29
June	1964	17.83	47.37	1.24	1	33
June	1965	17.94	52.28	1.20	1	34
June	1966	21.12	54.28	1.70	1	39
June	1967	30.65	47.54	1.25	1	41
June	1968	30.63	47.54	1.25	1	41
June	1969	38.43	53.47	0.41	3	44
June	1970	38.88	83.49	0.59	3	41
June	1971	45.75	79.51	1.64	3	49
June	1972	43.56	90.29	1.65	3	n.a
June	1973	59.71	100.27	1.82	3	59
June	1974	75.52	112.55	2.36	3	65
June	1975	76.82	144.24	3.01	3	78
June	1976	93.67	177.52	4.05	4	76
June	1977	120.21	201.63	5.32	6	n.s
June	1978	161.46	234.93	3.68	8	111
June	1979	271.16	272.41	1.87	8	130
June	1980	310.22	331.19	2.70	9	95
June	1981	343.49	360.26	5.36	9	95
June	1982	353.78	427.35	0.89	9	95
June	1983	326.90	450.00	-2.33	9	95
June	1984	357.12	600.81	-6.47	9	95
June	1985	469.55	781.93	-2.71	9	104
June	1986	665.56	1169.71	5.85	10	110
June	1987	858.89	1092.97	16.05	11	110
June	1988	1079.59	1449.01	14.42	13	108
June	1989	1560.98	1910.17	20.67	13	123
June	1990	2546.94	2536.59	56.74	18	135
June	1991	2653.60	2973.70	16.87	18	155
March	1992	2853.73	2663.44	36.14	18	187
March	1993	3011.47	2952.42	26.86	18	187
March	1994	4601.68	3503.27	27.52	18	192



March	1995	4935.25	4268.30	39.93	18	196
March	1996	6116.66	4991.24	26.35	19	200
March	1997	6993.42	5533.46	44.28	19	200
March	1998	8572.46	5798.06	24.65	19	200
March	1999	8358.03	6248.13	115.21	19	192
March	2000	10558.01	6093.74	106.64	19	211
March	2001	10758.70	6251.98	152.74	20	212
March	2002	13409.89	7438.74	146.17	20	211
March	2003	14954.07	9558.54	177.16	21	205
March	2004	16591.21	9543.45	196.02	21	201
March	2005	18350.99	10551.78	202.62	21	228
March	2006	18701.98	18701.98	129.53	21	224
March	2007	25157.85	25157.85	66.94	21	229
March	2008	28844.90	28844.90	-324.00	21	224
March	2009	30940.03	30940.03	-69.01	21	219



The deposit of the bank, because of the support of the individual customers has crossed Rs.10.00 Crores during the year 1987-88 and Rs.105.00 Crores during the year 1999-2000. For touching the Rs.100 Crores mark of the deposit, the bank has worked hard for 42 years. However, it has doubled

its deposit outstanding and touched Rs.252.00 Crores as at the end of September 2008, within two years. It may proudly be announced that the deposits are mainly mobilized only from the individuals and the institutional deposits are very meager. The deposit outstanding as at the end of 31<sup>st</sup> March 2008 was Rs.288.44 Crores and the deposit from the individuals was Rs.182.00 Crores. The societies deposits were only Rs.48.27 Crores and the Institutional deposits were only Rs.58.18 Crores.<sup>31</sup>

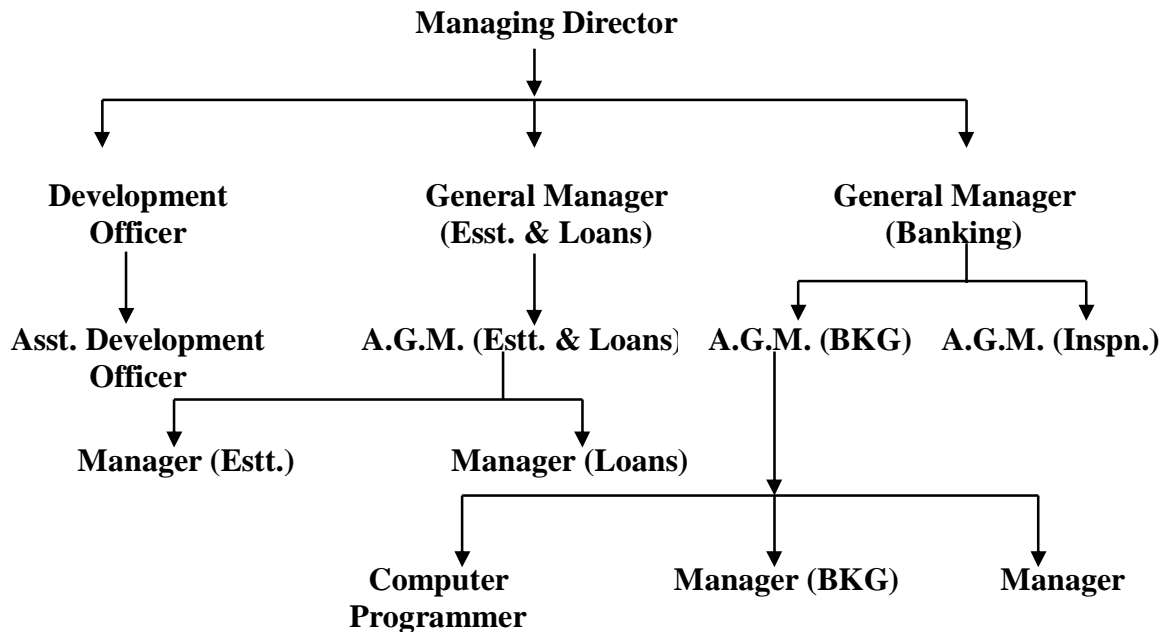
## **Activities**

The main activities of the Bank are to mobilize resources through collection of deposit from members, public and institutions, and obtaining funds from the Government by means of share capital, loan, etc., and issue various types of loans to the affiliated societies and member-public. It may also get loans from the NABARD/RBI at the guarantee given by the Government of Pondicherry. i.e., It is doing business with the funds raised through share capital, deposits from its customers and loans from the Government and the apex institutions.

The Bank's overall performance during the years in 2005-2006 and 2006-07 remains healthy with a total net profit of Rs.129.52 lakhs as on 31.03.2006 and Rs.221.71 lakhs as on 31.03.2007. The Bank's overall performance during the year 2007-2008 results in a net loss of Rs.324.00 lakhs.

As the Bank is coming under the purview of the Banking Regulation Act, 1949 (as applicable to Co-operative Societies), the Bank is statutorily and periodically inspected by NABARD on behalf of the Reserve Bank of India. The accounts of the Bank are being audited by the Chartered Accountant appointed by the Registrar. The accounts up to 2007-08 have been audited.

**ORGANISATION CHART OF THE PONDICHERRY STATE  
CO-OP. BANK**



The bank has won a Special Prize for the **excellent performance awarded** by NABARD under Self-Help Group-Bank linkage programme for the year 2007-2008.

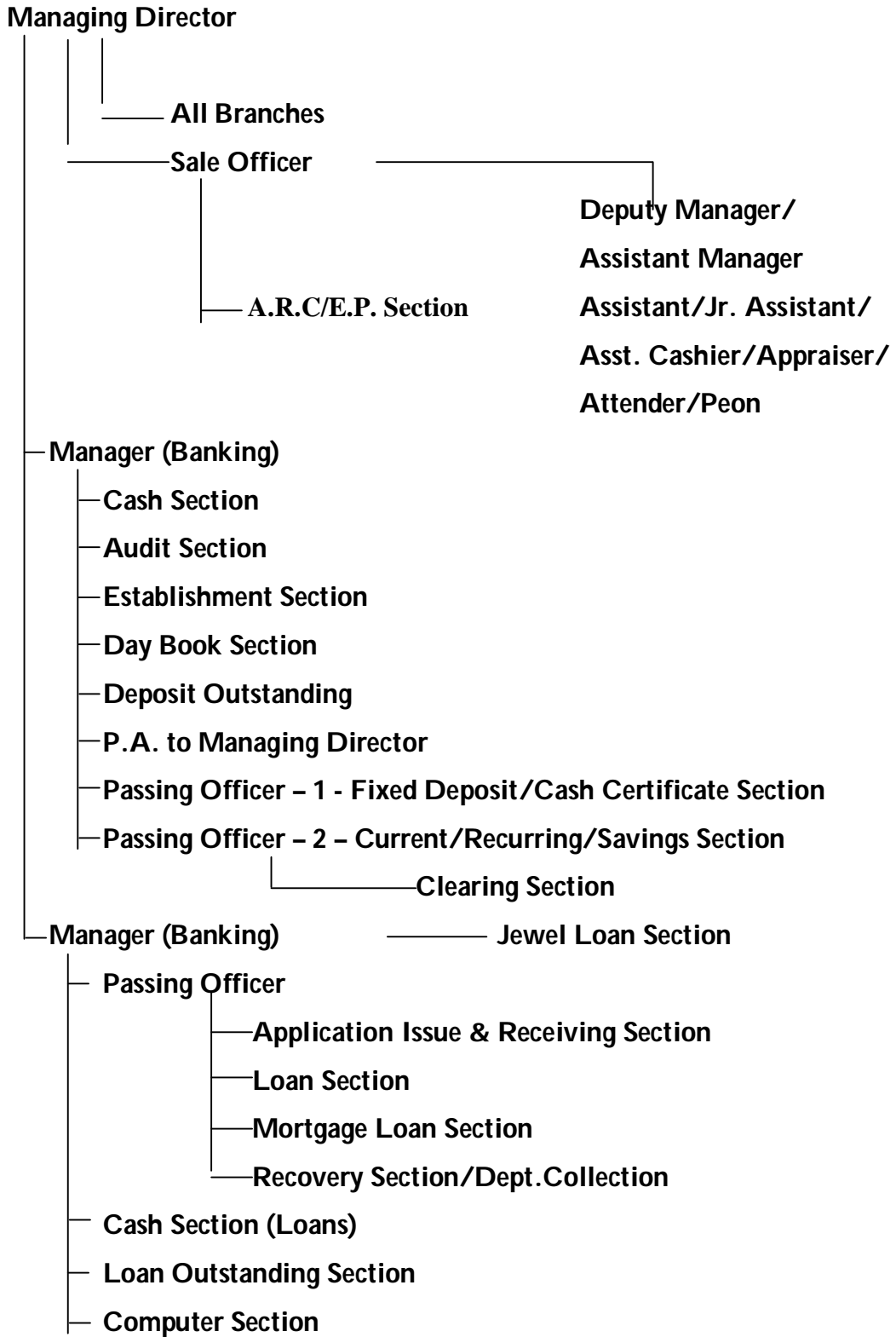
**The Pondicherry Co-operative Urban Bank**

The Pondicherry Co-operative Urban Bank was registered on 15<sup>th</sup> June 1955 and started working from 11<sup>th</sup> July 1955.

**Activities**

1. To receive all kinds of deposits from members and others to be utilized for issue of loans to members.
2. To undertake collection of bills and issue of drafts.
3. Issue of jewel loans.
4. To advance loans for educational purpose, remodeling and repairing of houses.

**ORGANISATION CHART OF THE PONDICHERRY CO-OP.  
URBAN BANK**



5. Advance to Government employees and private members on surety basis.
6. To advance loans for small scale and cottage industries.
7. To advance loans for small business and retail traders.
8. To advance loans for professional and self-employed persons.
9. To advance loans to meet the working capital requirements of the business in the form of cash credit.
10. To issue loans to Government servants and others for purchase of consumer durables.

The Pondicherry Co-operative Urban Bank had a committee of management till 31.12.1994, thereafter the Bank is managed by an Administrator in the cadre of Deputy Registrar of Co-operative Societies.

The Bank is having four branches at different places like Muthialpet, Nellithope, Mudaliarpeta and Villianur in Pondicherry Region.

### **The Pondicherry Co-operative Central Land Development Bank**

The Pondicherry Co-operative Central Land Development Bank had started functioning from 7.5.1960 to cater to long-term credit needs of the agriculturists in the Union Territory of Pondicherry. The area of operation of the bank covers the entire Union Territory of Pondicherry. The bank has one branch at Karaikal.

The management is vested with a committee of management consisting of 15 members. The committee is constituted with 12 elected members from among the members and 2 nominees, one each from Co-operative and Agriculture Departments. One Managing Director in the cadre of Deputy Registrar of Co-operative Societies is appointed by the Registrar of Co-operative Societies. The period of the present committee is upto 30.09.2008.





## **The Pondicherry Central Co-operative Processing Supply and Marketing Society**

The Pondicherry Central Co-operative Processing Supply & Marketing Society was registered as a co-operative society on 27<sup>th</sup> November 1955. The society was developed from primary society to central Co-operative Processing S & M Society in the year 1972 and renamed as "The Pondicherry Central Co-operative Processing Supply & Marketing Society Ltd., No.P.31". The area of operations of the society comprises of all the communes in the Pondicherry region.

The management of the society vests with a committee of management comprising of 11 members.

1. One member to be nominated by Government.
2. Four members to be elected from among the individual members.
3. Four members to be elected from among the representatives of the affiliated credit societies.
4. One member to be elected from among the representatives of the affiliated non-credit societies.
5. The Managing Director of the Society.

The term of office of the committee is three years. The day today affairs of the society are managed by the Managing Director.

### **The Activities of the Society**

The major activities of the society are as follows:

1. Procurement of paddy from the farmers through village co-operative agricultural credit societies/farmers service co-operative societies/primary agricultural co-operative banks under the scheme, linking of Credit with Marketing and from the regulated market committees situated in Pondicherry Region.



2. Running a modern rice mill with paddy hulling capacity of 2 M.T./hour in which the paddy procured is processed and rice produced alongwith other bye products. The modern rice mill is situated in the Thattanchavady Industrial Estate, Pondicherry.
3. Sale of rice to Government departments, educational institutions, hospital, co-operative consumer stores, and for Government's free rice scheme.
4. The society is running 4 retail outlets in Pondicherry Region.

### **The Pondicherry State Co-operative Consumers Federation**

The Pondicherry State Co-operative Consumers Federation was registered on 10.03.1983 and started functioning from 31.03.1983. The area of operation of the Federation is extended to the entire Union Territory of Pondicherry.

### **Objectives**

1. To make bulk procurement of consumer goods from within the state and other states for sale and supply to affiliated member societies and to arrange for proper storage, packaging, grading and transportation of such goods.
2. To deliver groceries and cosmetic goods to the public through the affiliated consumer co-operative stores through door delivery.
3. To arrange for proper storage, packaging, grading and transportation of such goods.
4. To assist the management of the consumer co-operative institutions in planning and promotion of sales.
5. To arrange for training board of directors, members and staff of the various consumer co-operative Institutions.

### **Projects for Future**

1. Strengthening of storage facilities.
2. Opening of new retail/self service counters directly in rural and semi urban areas.

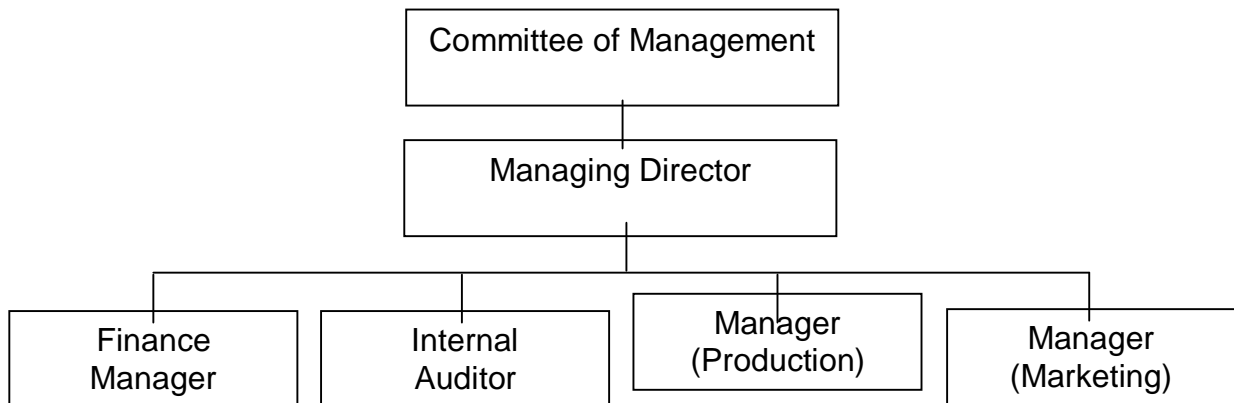
3. To become stockist for cosmetics items.
4. Opening of cost price shops exclusively for automobile spares.
5. Installation of gas bunks in all Confed petrol bunks.

### **The Pondicherry State Weavers Co-operative Society (PONTEX)**

This society was originally registered as a model weavers Industrial Co-Operative Society on 02.03.1957 and started functioning with effect from 20.05.1957. Later this Pondicherry Model Weavers Industrial Co-operative Society was converted as the Pondicherry State Weavers Co-operative Society on 01.03.1973. This is an apex weaver's co-operative society and the area of operation of the society is extended to the entire Union Territory of Pondicherry. At present, 13 primary weavers' co-operative societies are affiliated to it.

**Management :** At present the society is managed by the Administrator.

#### **ORGANISATION CHART OF THE PONDICHERRY STATE WEAVERS CO-OPERATIVE SOCIETY**



### **Activities**

The activities of the society revolve around purchase and issue of yarn of various counts to the affiliated primary weaver's co-operative societies and to procure the finished products produced by them for effective marketing.

## **Expansion**

1. To bring more and more weavers into the co-operative fold to increase the handloom production.
2. Conducting training for the existing weaver members and to the new entrants.
3. Creation of Web-site.
4. To maintain standard quality of handloom products steps have been taken to obtain ISO certification.

## **Dairy Cooperative In India – An Overview**

Dairy industry is of crucial importance to India. The country is the world's largest milk producer, accounting for more than 13% of world's total milk production. It is the world's largest consumer of dairy products, consuming almost 100% of its own milk production. Dairy products are a major source of cheap and nutritious food of millions of people in India and the only acceptable source of animal protein for large vegetarian segment of Indian population, particularly among the landless, small and marginal farmers and women.

Dairy cooperatives account for the major share of processed liquid milk marketed in the country. Milk is processed and marketed by 170 Milk Producers' Cooperative Unions, which federate into 15 State Cooperative Milk Marketing Federations.

## **Dairy cooperatives in India**

Over the last four decades, while India has made tremendous progress in food production, the growth in agriculture sector has hovered around three percent. The contribution of agriculture to the Gross Domestic Product (GDP) has also declined steadily. On the other hand, the contribution of the livestock sector to the overall GDP has been consistent at a rate of five percent during the last three decades. Today, the livestock sector contributes over 25 percent of the output of the agriculture sector.

As per available statistics, the holding size of 58 percent of rural households in India is less than two hectare while another 32 percent are landless. However, they own 75 percent of the country's livestock resources and almost half of the income of this class comes from livestock. Thus, the livestock sector is regarded by many as one of the most pro-poor sectors with any positive development translating into increased income and employment to millions across the country. The landless and marginal farmers are also able to produce at a very low cost, thereby making their product highly competitive in the market.

Within the livestock sector, dairying has emerged as an important source of income and employment in rural areas, especially for marginal and small farmers, who own about 33 percent of cultivable land mass but account for almost 60 percent of female cattle and buffaloes in the country. Dairying contributes to a third of the gross income of rural households and nearly half for the landless.

In terms of trade, the value of output from livestock at about Rs.1,733 billion in 2004-05 of which milk accounted for 68 percent. In fact, the value of milk was higher than paddy (Rs.704 billion) and wheat (Rs.480 billion). Thus, in terms of value of output, milk is now the single largest agricultural commodity in India. Dairy products account for 70 percent of the output of the livestock sector and also provide employment to around 75 million women and 15 million men.<sup>32</sup>

The Dairy Board's programmes and activities seek to strengthen the functioning of Dairy Cooperatives, as producer-owned and controlled organizations. NDDB supports the development of dairy cooperative by providing them financial assistance and technical expertise, ensuring a better future for India's farmers.

Over the years, brands created by cooperatives have become synonymous with quality and value. Brands like Amul (GCMMF), Vijaya (AP), Verka (Punjab), Saras (Rajasthan), Nandini (Karnataka), Milma (Kerala) and Gokul (Kolhapur) are among those that have earned customer confidence.

### **The Pondicherry Co-operative Milk Producers Union**

The Pondicherry Co-operative Milk Supply Society, as it was called then, was the first co-operative society registered in the Union Territory of Pondicherry in the year 1955 under the Madras Co-operative Societies Act, 1932 (as extended to Pondicherry, as it was called then). This was later converted as the Pondicherry Co-operative Milk Producers' Union, a central society, extending its area of operation to the entire Pondicherry region. Ponlait, the brand name of Pondicherry Co-operative Milk Union ('lait' in French denotes 'milk') PONLAIT means Pondicherry Milk has become a house hold name today.

101 primary dairy co-operatives are affiliated to the Ponlait as on 31<sup>st</sup> March 2008, of which 96% societies are functional. Milk procurement from dairy in the year 2006-07, had a growth rate of 12% per annum. The annual milk procurement from the Dairy Co-operatives 53,000 litres per day in 2007-08. The milk procurement is around 65% of the marketable surplus of dairy co-operative villages.

### **Membership in DCS**

The number of farmer members has increased from 34,648 in 2004-05 to 36,078 in 2006-07 to 39,460 in 2007-08. The number of members per DCS has increased from 357 to 407.

## **Milk Processing**

The plant capacity is 50,000 LPD. But the milk processed was on an average 60,100 LPD in 2004-05, 71,000 LPD in 2005-06 and 81,200 LPD in 2006-07 and 85,400 LPD in 2007-08. The percentage of plant capacity utilization has gone up from 120% in 2004-05 to 162% in 2006-07 to 180% in 2007-08.

## **Marketing**

The Ponlait marketed 51,400 litres of milk per day in 2004-05, 59,200 LPD in 2005-06 and 68,900 LPD in 2006-07 and 75,000 LPD in 2007-08 – an annual increase of 21% from 2005-06 to 2007-08. Three varieties of milk are sold, viz. toned, standardized and premium. Presently, the Ponlait is marketing around 1,10,000 LPD.

The premium milk which was introduced on January 2002 with a turnover of 1,500 litres per day has come up to 15,000 litres per day. 97 societies have been provided with electronic milk tester and all 97 societies had been provided with electronic weighing scale with price computing system under quality improvement programme. Milk yield competition was organized in 4 villages and prizes were awarded and bulk milk cooler centres were started with state and central aid.

Artificial insemination centres are functioning in 45 dairy co-operative societies. Bajra Napair stems slips have been supplied in 44 DCS for green grass cultivation under fodder development scheme.

## **Service to the Farmer Members of the Dairy Co-operative Societies**

3,209 members of 58 dairy co-operative societies were covered under **Janashree Bima Yojana Group Insurance Policy** for one year and a sum of Rs.50,000/- has been disbursed to members of families in co-operative societies towards sum assured against disability/death under JBY policy.



**Group Janata Personal Accident Policy** was implemented and covered 8,412 milk suppliers of dairy co-operative societies. The premium amount of Rs.1,16,717/- was fully paid by the Union. A sum of Rs.50,000/- was claimed and issued to the families. Further group savings by linked insurance scheme was also implemented. During this year about 350 children of milk producer members studying in 9 to 12<sup>th</sup> std. were given scholarship at Rs.1,200/- per annum.

### **Programmes in the Pipe Line**

1. To strength the existing dairy plant from 50,000 LPD to 1,00,000 LPD.
2. To establish a modern automatic dairy with a handling capacity of 2,00,000 LPD to face the increasing requirement of liquid milk.
3. To go for value added products like ice cream, flavoured milk, milk sweets, panneer, etc.
4. To establish modern cattle feed plant with 100 MT capacities per day.
5. To establish a task force to monitor the milk procurement and cattle care with qualified personnel.
6. Active animal care.

### **The Pondicherry State Co-operative Union**

The Pondicherry State Co-operative Union was registered on 10.02.1975 and it started its working from 23.02.1976. This is an apex level co-operative institution and is functioning with the object of propagating the principles of co-operation among the public by undertaking promotional activities like conducting of conference, seminars, training programmes, orientation programmes, leadership programmes etc.,

The Pondicherry State Co-operative Union conducted election to elect a new set of committee of management to manage the Union in a democratic



way in the year 2002-03. The newly elected committee assumed office on 09.09.2002. The Union is functioning as a liaison organization between the co-operators, the Registrar of Co-operative Societies and the Government.

The Union is also publishing a monthly journal called "**Kooturavu Sudar**", carrying co-operative news, articles in co-operation, information on various co-operative societies and its functioning, essays and articles of general interest.

All the co-operative societies in the Union Territory of Pondicherry can become the members of this Union.

The main source of funds for this Union is the subscription collected from the member societies and the co-operative education fund collected from the co-operative societies, at 2% of the net profit, subject to a maximum of Rs.25,000. Further the Government is also sanctioning subsidy and grants to the Union and the training institute conducted by the Union.

The Pondicherry State Co-operative Union Celebrates **All India Co-operative Week Celebration** from 14<sup>th</sup> to 20<sup>th</sup> November every year.

### **The Pondicherry Institute of Co-operative Management**

A junior level co-operative institute in the name "Pondicherry Co-operative Training Institute" was established by the Pondicherry State Co-operative Union in the year 1980 for the purpose of conducting the Diploma course in Co-operative Management. The Institute is a unit of the Pondicherry State Co-operative Union. The Institute has got a well equipped computer lab with 40 terminals supported with DOS and Window based applications under LAN systems. The lab has a variety of peripherals like Laser Printer, DOT Matrix Printer, Ink Jet Printer, CD Writer, Web Camera, Colour Scanner, Digital Copier, Prescreen, LCD Projector, Multimedia Systems etc.,

### **Co-operative College of Education**

To cater to the learning needs of individuals, the Pondicherry State Co-operative Union has started a Co-operative College of Education a new venture a field of co-operation during 2005-2006 to equip large number of students with occupation related knowledge and skills. The B.Ed., Degree course got the approval of National Council for Teacher Education, Bangalore and affiliation from the Pondicherry University. NCTE and Pondicherry University approved the college to admit 100 students every year. Two batches of students have come out in the academic years 2005-2006 and 2006-2007.

### **Co-operative Teacher Training Institute**

Another new venture in this field, The Pondicherry State Co-operative Union has started a Teachers Training Institute in the name of The Co-operative Teacher Training Institute during 2006-2007 for the development of knowledge in the field of education. The Diploma course in Teacher Education was approved by the Directorate of School Education, Government of Pondicherry. The Institute got its affiliation from the Directorate of Teacher Education Research and Training (DTERT) Government of Tamil Nadu. This Diploma Course is two year course in each year 50 students are admitted.

### **The Development of Fishermen/Fisherwomen Co-operative Societies in the Union Territory of Pondicherry**

Fishermen co-operative societies pave the way to meet efficiently the needs of the fishermen by rendering better services to uplift the socio-economic conditions of fishermen community.

In order to strengthen the primary fishermen co-operative societies, financial assistance is given in the form of share capital and medium term

loan. Pondicherry State Fishermen Co-operative Federation and Karaikal Fishermen Co-operative Marketing Union are acting as agents to the primaries in issuing loans like fish vending loan, medium term loan etc.

Fishermen Co-operative Societies Act as agents to prevent the exploitation of money lenders/middleman, components of welfare schemes such as savings-cum-relief to inland fishermen, group accident insurance to fisherwomen under **Janashree Bima Yojana**. Under the scheme "Welfare and relief measures to the fishermen during lean season and natural calamities" are implemented through fishermen co-operative societies. The subscription from members is collected on instalment basis and financial assistance is extended through fishermen co-operative societies.

During the year 2006-07 nearly, 28,513 and 27,617 members in 2007-08 have enrolled as fishermen and fisherwomen under the component savings-cum-relief fund scheme belonging to Marine and Inland sections and the benefits were extended during the lean season. The women members in the co-operative societies are paying Rs.20 per year under group insurance scheme.

In order to create awareness among fisherwomen and to bring them under co-operative fold, one Inland Fishermen and one Urban Fishermen Co-operative Society in Pondicherry region and Two Fisherwomen Co-operative Society in Yanam Region were started in the year 2007-08. One Inland Fishermen Co-operative Society in Karaikal region was started during the year 2006-07. The above Fishermen Co-Operative Societies and Fisher Women Co-operative Societies were granted with the share capital contribution and medium term loan to improve their business activities and to extend loan assistance to its members. During the year 2007-08 a sum of Rs.57.25 lakhs has been granted towards financial assistance to the 34 fishermen/fisherwomen co-operative societies in all four regions.

The fishermen co-operative societies which were formed in all fishing hamlets are rendering great service to downtrodden community to overcome their struggle in their profession, by way of extending financial assistance in the form of short term loans etc.

The fishermen/fisherwomen co-operative societies are extending great help to impart self-help and mutual help to the members. It acts as a good friend and philosopher to the downtrodden public members of the fishermen villages. The Pondicherry Fishermen Co-operative Federation has installed one diesel bunk in Yanam Region during the year 2005-06.

This being the various activities of the Co-operatives in the Union Territory of Pondicherry and interest shown by the Government of Pondicherry, the interest shown by the department of Co-operation in extending its activities in the newer fields, it attracted the interest of researcher to take up a study on this topic.

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## Chapter - V

### **AN EVALUATION OF THE ORGANISATIONAL COMMITMENT OF THE EMPLOYEES OF THE COOPERATIVES**

This chapter attempts to analyse the organisational commitment of the employees of the cooperative organisations in Pondicherry using various parameters. In the first the demographic characteristics of the respondents are studied before going in to other aspects. For this purpose the relevant data is collected and presented in the table V.1.

The demographic characteristics and socio economic status of the sample employees may influence the organisational commitment of the employees and hence are analysed to determine their levels of job satisfaction, organizational commitment attitude and performance and expectations of job characteristics. The important variables used in this context are Age, Educational status, Sex, Designation, Position, Religion, Caste.

Age: On analyzing the distribution of age it was found that 23.3% are in the age group of below 35 years, a minimum of 9.6% are in the age group of 35-40 years of age, 67.3% of the sample respondents were above 40 years of age group. This shows that majority of the respondents are in the working age group and have acquired positions like Deputy Registrars, Co-operative Officers and Senior Inspectors after having substantial years of experience.

Sex: The table reveals that 84.6 percent of the respondents are men and only a minimum of 15.4 percent are women. This clearly indicates that male members are having more inclination to serve in cooperative organisations than females.



**Table V.1****Distribution of Respondents by Personal Characteristics**

<b>Personal Characteristics</b>	<b>Number of Respondents</b>	<b>% to Total</b>
Age (in years)		
Up to 35	24	23.1
36 – 40	10	9.6
> 40	70	67.3
Sex		
Male	88	84.6
Female	16	15.4
Marital Status		
Single	11	10.6
Married	93	89.4
Religion		
Hindu	90	86.5
Non-Hindu	14	13.5
Community		
Forward	5	4.8
OBC	54	51.9
SC/ST	21	20.2
BC	24	23.1
Educational Status		
Degree	36	34.6
Post-Graduate	68	65.4
Designation		
Junior Inspector	32	30.8
Senior Inspector	22	21.2
Co-operative Officer	29	27.9
Deputy Registrar	21	20.2
Present Position		
Junior Level	42	40.4
Middle Level	31	29.8
Senior	26	25.0
Top	5	4.8
Family Size (Numbers)		
Up to 4	78	75.0
Above 4	26	25.0
Type of Accommodation		
Own House	64	61.5
Rented House	40	38.5
All Sample	104	100.0

Source: Primary Data.

Marital status: The marital status of the sample indicates that nearly 89.4 percent are married, and only 10.6 percent are unmarried. As most of the respondents are in the age group of above 36 years it is quite natural that they should have been married.

Religion: Among the sample respondents it was found that about 86.5 percent were Hindus and only 13.5 percent were non Hindus.

Community: While community wise break up was analysed it was found that 51.9 percent were from OBC Communities, 23.1 percent were from backward classes, 20.2 percent belong to SC/ST communities and only 4.8% were from forward castes. This is more or less as per the reservation policy prevalent in this part of the country.

Educational status: While educational status (which determines the individuals' mental status and level of confidence), was analysed it was found that 65.4 percent were post graduates and only 34.6 percent were degree holders. This shows that the employees have the competence for the job which they have taken up and also a good sample of study of this type.

Designation: The analysis pertaining to the designation of the respondents reveal that nearly 20.2 percent of them were Deputy Registrars, 27.9 percent were Co-operative Officers 21.2 percent were senior inspectors and around 30.8 percent were Junior Inspectors. Almost even distribution was observed in all the four categories of employees.

Present position: Years of experience in the present position is used to analyse the experience of the employees in the cooperative department and it was found that 40.4 percent were in the Junior level, 29.8 were found to be in the middle level and 25.0 percent were in the Senior level and only 4.8 percent of the employees are at the top level. Which further reveals that Seniors and top level employees are in the cadre of Deputy Registrars and above.

Family size: The family size of the respondents were analyzed to find out their level of satisfaction in the job as the level of job, salary getting or likely to get may have influence on the Organisational Commitment. If the salary is low and insufficient to meet the family expenditures the employee may not have the commitment. The analysis found that 75 percent had a family size of upto 4 members, they may belong to nuclear family and only 25 percent had a family size of more than 4 members (Probably they might be hailing from the joint family system).

The type of accommodation: The type of accommodation in which they live may reveal their Income levels and life satisfaction. While analyzing, it was found that 61.5 percent lived in their own houses and only 38.5 percent were living in rented houses. As most of the respondents were above 36 years of age and have good years of experience, it is quite natural that they might have constructed houses of their own or inherited the parental houses.

As the sample respondents were selected from the credit as well non credit organisations and there are chances for the employees to have worked in both the type of organisations they may have thorough knowledge about the cooperatives in the Union Territory of Pondicherry and hence to facilitate the study of organisational commitment of the sample employees, the relevant data is collected and presented in the Table V.2.

**Table V.2**  
**Type of Cooperative Sector**

Type of Cooperative Sector	Number of Respondents	% to Total
Credit	26	25.0
Non-Credit	59	56.7
Both	19	18.3
All	104	100.0

The observation of the table shows that 56.7 percent of the respondents are working in non credit based societies and 25 percent of the respondents are working in credit societies and 18.3 percent have worked in both the type of societies. Therefore all of them are having competency to speak about their organisational commitment.

The method of selection to the present service also may have influence on the organisational commitment. For instance, if they have a flair for taking up a job in a particular service it may make them committed to that service. Also if they feel that it was a hard won job they may have commitment. On the other hand, if they had got the job in the Cooperative department by chance they may not have commitment. Therefore to analyse the organisational commitment of the employees of the cooperatives in the Union Territory of Pondicherry, the relevant data is collected and presented in the Table V.3.

**Table V.3**  
**Method of Selection to the Present Post**

<b>Selection Method</b>	<b>Number of Respondents</b>	<b>% to Total</b>
Direct	58	55.8
Promotion	44	42.3
Deputation	2	1.9
All	104	100.0

The observation of the table shows that 55.8 percent of the sample respondents were appointed directly to the posts of Senior Inspectors or Junior Inspectors of Cooperative Societies and 42.3 percent have reached the present position by promotion (but originally directly recruited to the department in different positions) and only 1.9 percent entered into the service by deputation from other services.

For the purpose of analysing the organisational commitment, there is a need for analysing their levels of knowledge about the job before getting that job. This may reveal, whether they have taken up the job after knowing the nature and working of the department or by chance they have taken up the job. It can be believed that if they have taken up the job in the department with a little or more of knowledge that may reveal that they have likeness for the job and hence they may be committed to the job. Under this background the relevant data is collected and positioned in table V.4.

**Table V.4**  
**Knowledge about the organization before getting job**

Knowledge Level	Number of Respondents	% to Total
Nothing	34	32.7
Little Knowledge	54	51.9
Know Very Well	16	15.4
All	104	100.0

The observation of the table shows that out of the total respondents 32.7 percent of them do not have any knowledge about the nature of the Job in cooperatives, 51.9 percent have stated that they had possessed little knowledge about the cooperatives at the time of getting the job and 15.4 percent only have reported that they were very well aware of the cooperative department. This shows that nearly 67.3 percent of the employees had some knowledge about the nature and working of the cooperative department.

As some respondents have reported that they know nothing about the nature and functioning of the department and nearly 67.3 percent reporting that they know about the department (a little or very well), there is a need for analysing as to whether there is any significant difference in the perception of the sample employees about their levels of knowledge about the cooperative department of the Union Territory of Pondicherry. On the basis of the opinions expressed by them and between their demographic characters, a

statistical tool of “chi square” test is used to find out as to whether there is any significant differences in their perception. For this purpose the relevant processed data is portrayed in table V.5.

**Table V.5.**  
**Comparison of Level of Knowledge about Organization before Getting Job**  
**by Demographic Characteristics of the Respondents**

Demographic Characteristics		Level of Knowledge				Chi-Square (DF)
		Nothing	Little Knowledge	Know Very Well	Total	
Age (Years)	Up to 35	12 (50.0)	10 (41.7)	2 (8.3)	24 (100.0)	10.96** df=4
	36 – 40	6 (60.0)	4 (40.0)	0 (0.0)	10 (100.0)	
	Above 40	16 (22.9)	40 (57.1)	14 (20.0)	70 (100.0)	
Sex	Male	28 (31.8)	47 (53.4)	13 (14.8)	88 (100.0)	0.52 <sup>NS</sup> df=2
	Female	6 (37.5)	7 (43.8)	3 (18.8)	16 (100.0)	
Marital Status	Married	4 (36.4)	7 (63.6)	0 (0.0)	11 (100.0)	2.27 <sup>NS</sup> df=2
	Unmarried	30 (32.3)	47 (50.5)	16 (17.2)	93 (100.0)	
Education	Degree	16 (44.4)	18 (50.0)	2 (5.6)	36 (100.0)	5.83** df=2
	Post-Graduate	18 (26.5)	36 (52.9)	14 (20.6)	68 (100.0)	
Residence	Urban	30 (32.6)	49 (53.3)	13 (14.1)	92 (100.0)	1.09 <sup>NS</sup> df=2
	Rural	4 (33.3)	5 (41.7)	3 (25.0)	12 (100.0)	
All		34 (32.7)	54 (51.9)	16 (15.4)	104 (100.0)	

Source: Primary Data. Figures in brackets are percentages to Row total.  
NS : Not Significant; \*\*Significant at 5% level.

The analysis of the table shows that in all the five classifications and eleven categorisations, majority have agreed that they have either a little knowledge or well informed about the organisation.

The analysis further shows that there are significant differences in the perception of the employees depending upon their age and also depending upon their qualifications (Graduation or Post Graduation). These differences are significant at 5 percent level. It is intuitive knowledge that the levels of understanding may vary depending upon the age. i.e. aged people because of their vast experience can understand well about the department and equally true that the levels of knowledge of the individuals may vary depending upon their academic qualifications.<sup>1</sup> This inner differences are not a serious matter for the policy frame.

The Personnel Management Department or Human Resource Management as it is called in many of the organisations in the recent times is an essential one for recruiting the personnel, training or posting them in the right place for the effective management of the man power. The knowledge about the existence of the Human Resource Department to look after their welfare or to manage them or to get the optimum output from the employees is essential for evaluating the organisational commitment of the employees. For this purpose the relevant data is collected through the issue of questionnaire and the collected data is presented in the Table V.6.

**Table V.6**  
**Knowledge of the employees about the existence of Personnel Department**

Opinion	Number of Respondents	% to Total
Yes	23	22.1
No	81	77.9
All	104	100.0

Source : Primary data.

The observation of the table reveals a surprising information that 77.9 percent of the employees have reported that they do not have any knowledge about the existence of Personnel Department, also reveals that they do not know that there is one department which is engaged in the Man Power

Planning or to take care of the human aspect of the organisation (may be, they know about it as a Establishment section). Their lack of knowledge about the existence of the Personnel Department shows their detached way of work life.

Since the employees in the department of cooperation in the Union Territory of Pondicherry have reported that they were not aware of the existence of the Personnel Department, an attempt is made to find out the source/method of recruitment of these employees and the response is shown in the table V.7.

**Table V.7**  
**Internal Source of Recruitment**

Sources	Number of Respondents	% to Total
None	9	8.7
Promotion	50	48.1
Transfer / Absorption / Deputation	36	34.6
Extension of Services after retirement	2	1.9
Others	7	6.7
All	104	100.0

**External Source of Recruitment**

Sources	Number of Respondents	% to Total
None	9	8.7
Advertisement	24	23.1
Employment Exchange	38	36.5
Nepotism	2	1.9
Deputation	27	26.0
Others	4	3.8
All	104	100.0



The observation of the table reveal that nearly 48 percent of the sample employees were promotees from the lower cadre and 34.6 percent of the employees are transferees, absorbed from other services and or deputationist and therefore for them it is Government decision/department decision.

The external source shows that majority of them. i.e. 36.5 percent were sponsored by the employment exchange and another 23 percent were recruited through open advertisement. Therefore this also shows that the employees may be under the impression that it is the Government decisions and not the decision of the Human Resource/Personal Departments of the Cooperatives in Pondicherry. They do not make a difference between the Department and the Government.

With reference to the motivating factors that influenced the sample employees to join this organization, the opinion of the respondents were collected. The **opinions were collected under eight different motivating factors** using 5 point scale with value ranging from '1' for 'do not know anything', '2' for 'not attracted', '3' 'slightly attracted', '4' for 'moderately attracted' and '5' for 'very much attracted'. The Mean scores of the respondents' responses for measuring their levels of motivation are as follows:

Do not know anything	< 1.5
Not attracted	≥ 1.5 to < 2.5
Slightly attracted	≥ 2.5 to < 3.5
Moderately attracted	≥ 3.5 to < 4.5
Very much attracted	≥ 4.5

The calculated mean perceptions of the respondents for all the eight motivating factors are shown in Table V.8.

**Table V.8**  
**Motivating Factors influenced to join this Organization**

(N=104)

Motivating Factors	Mean	Standard Deviation
Category of Job	3.15	1.33
Promotional Opportunities	3.38	0.99
Work area located	3.59	1.07
Goodwill of the Organization	3.62	1.13
Objectives / Activities / Goals of the Organization	3.68	0.97
Perks and Other benefits	3.76	0.98
Fixed Salary	4.33	1.00
Job Security	4.56	0.86

It can be seen from the table that the mean perception scores of the sample respondents 3.15 for Category of job and 3.38 for Promotional opportunities are in the area of **“slightly attracted” range** ( $\geq 2.5$  and  $\leq 3.5$ ). Similarly, the opinion of the sample employees about Fixed Salary (Mean = 4.33), Perks and Other benefits (Mean = 3.76), Work area located (Mean = 3.59), Objectives / Activities / Goals of the Organization (3.68) and Goodwill of the Organization (Mean = 3.62) are in between 3.5 and 4.5, i.e. **in the “moderately attracted” range**. With regard to the Job Security, all respondents have perceived it as **“very much attracted”** (Mean = 4.56  $\geq$  = i.e.  $> 4.50$ ). Hence, it is found, from the opinions of the sample respondents that “Job security” is the primary motivating factor followed by “Fixed Salary” and “Perks and other benefits” have motivated the persons to join the cooperative organizations in Government of Pondicherry. i.e. employees were motivated to take up this job from “slightly attracted” to “very much attracted” position. Thus the hypothesis H<sub>1</sub> is disproved.

The consistency in the perception of employees about the factors motivated them to join the cooperatives is analysed through the standard deviation of the perception. The lower standard deviation will mean more consistency and the higher standard deviation may mean less consistency in their perception. This shows that the preference of the employees for the category of job and goodwill of the organization **is less consistent** and others are either moderately consistent or consistent. This implies that except the category of job and goodwill all the other factors have motivated the employees to prefer job in the cooperatives in Pondicherry.

The perception of the respondents about motivating factors that influenced them to join the cooperative organization is analysed by the socio-economic characteristics. The mean scores across different respondent categories are analysed dividing them on the basis of age, gender, marital status, educational status, designation, family size and are compared by using 't'-test (for two groups) and 'F' test for more than two groups are portrayed in Table V.9.

The observation of the table V.9 reveals that all age groups are moderately attracted by the "fixed salary". The category of job seems to have motivated the employees to take up the job in the Cooperatives in Pondicherry Government. The influence of this factor is significant at 5 percent level. The perks and other benefits seem to have motivated/ attracted the employees to take up the job in the Cooperatives in Pondicherry. This is significant at 10 per cent level.

The work area located seems to have motivated the employees to take up the job in the Cooperatives in Pondicherry. This is significant at 10 percent level.

The objectives, activities, goals of the organization also seem to have motivated the employees to take up the job in the Cooperatives. This is significant at 1 percent level.

The influence of other factors like fixed salary, job security, promotional opportunities, motivating the employees to join cooperatives seems to be not that much attractive.

**Table V.9**  
**Motivating Factors influenced to join this Organization –**  
**Comparison of Opinion by Age**

Motivating Factors	Age (in Years)			F value
	Up to 35	36 – 40	Above 40	
Category of Job	2.96 (1.65)	2.30 (1.34)	3.34 (1.15)	3.17**
Fixed Salary	4.17 (1.17)	4.20 (0.92)	4.40 (0.95)	0.57
Perks and Other benefits	3.54 (1.22)	3.30 (1.06)	3.90 (0.85)	2.48*
Job Security	4.38 (1.17)	4.30 (0.95)	4.66 (0.70)	1.48
Promotional Opportunities	3.67 (0.92)	2.90 (1.10)	3.36 (0.98)	2.26
Work area located	3.58 (1.18)	2.90 (1.10)	3.69 (1.00)	2.44*
Objectives / Activities / Goals of the Organization	3.54 (1.10)	2.80 (1.40)	3.86 (0.77)	6.10***
Goodwill of the Organization	3.50 (1.25)	3.00 (1.49)	3.74 (1.02)	2.08

Figures in brackets are standard deviation.

\*Significant at 10% level; \*\*Significant at 5% level; \*\*\*Significant at 1% level.

While the motivating factors to take up a job in the Cooperatives in the Government of Pondicherry in analysed, it is found that the gender (Table V.10) have influence in motivating them only in the cases of category of job (at 10 percent level) fixed salary (significant at 10 percent level, job security (significant at 1 percent level work area located (significant at 10 percent level) objectives activities, goals of the organisation (significant at 5 percent level) and good will of the organisation (significant at 1 percent level). The others have either title or no influence in motivating the employees.

**Table V.10**  
**Motivating Factors influenced to join this Organization –**  
**Comparison of Opinion by Gender**

Motivating Factors	Gender		t Value
	Male	Female	
Category of Job	3.25 (1.31)	2.63 (1.36)	1.75*
Fixed Salary	4.40 (0.92)	3.94 (1.34)	1.71*
Perks and Other benefits	3.82 (0.92)	3.44 (1.26)	1.44
Job Security	4.65 (0.70)	4.06 (1.39)	2.58***
Promotional Opportunities	3.38 (0.95)	3.44 (1.21)	0.23
Work area located	3.66 (0.98)	3.19 (1.42)	1.65*
Objectives / Activities / Goals of the Organization	3.76 (0.95)	3.25 (1.00)	1.97**
Goodwill of the Organization	3.74 (1.06)	2.94 (1.34)	2.67***

Figures in brackets are standard deviation.

\*Significant at 10% level; \*\*Significant at 5% level; \*\*\*Significant at 1% level.

**Table V.11**  
**Motivating Factors influenced to join this Organization –**  
**Comparison of Opinion by Marital Status**

Motivating Factors	Marital Status		t value
	Single	Married	
Category of Job	4.09 (0.94)	3.04 (1.33)	2.54***
Fixed Salary	4.64 (0.50)	4.29 (1.04)	1.09
Perks and Other benefits	4.18 (0.75)	3.71 (1.00)	1.52
Job Security	4.55 (0.69)	4.56 (0.88)	0.05
Promotional Opportunities	3.82 (0.98)	3.33 (0.98)	1.55
Work area located	4.00 (0.89)	3.54 (1.08)	1.37
Objectives / Activities / Goals of the Organization	3.82 (1.33)	3.67 (0.92)	0.49
Goodwill of the Organization	4.09 (0.83)	3.56 (1.16)	1.48

Figures in brackets are standard deviation.

\*\*\*Significant at 1% level.

While the influence of the Marital Status in motivating the employees were analysed constructing the table V.11.

From the comparison of the opinions of the respondents about motivating factors that influenced the employees to join the organization, it is found that except of the category of job, the marital status do not have any influence on motivating the employees to take up the job in the cooperatives in the Union Territory of Pondicherry.

**Table V.12**  
**Motivating Factors influenced to join this Organization –**  
**Comparison of Opinion by Educational Status**

Motivating Factors	Educational Status		t value
	Degree	Post-Graduate	
Category of Job	3.06 (1.29)	3.21 (1.36)	0.55
Fixed Salary	4.25 (1.00)	4.37 (1.01)	0.57
Perks and Other benefits	3.61 (0.96)	3.84 (0.99)	1.13
Job Security	4.58 (0.69)	4.54 (0.94)	0.22
Promotional Opportunities	3.17 (0.85)	3.50 (1.04)	1.65*
Work area located	3.50 (0.97)	3.63 (1.12)	0.60
Objectives / Activities / Goals of the Organization	3.69 (0.98)	3.68 (0.97)	0.09
Goodwill of the Organization	3.44 (1.13)	3.71 (1.13)	1.12

Figures in brackets are standard deviation. \*Significant at 10% level.

The educational status motivating the employees to join in the cooperative department is analysed from the table V.12.

The analysis pertaining to the educational status motivating the employees of the Cooperatives in Pondicherry shows that except the promotional opportunities (significant at 10 percent level) no other factors seems to have any influence on the employees.

**Table V.13**  
**Motivating Factors influenced to join this Organization –**  
**Comparison of Opinion by Designation**

Motivating Factors	Designation				F value
	Senior Inspector	Junior Inspector	Co-operative Officer	Deputy Registrar	
Category of Job	2.81 (1.28)	2.93 (1.65)	3.14 (1.04)	4.00 (0.77)	4.18***
Fixed Salary	4.56 (0.67)	4.21 (1.08)	4.00 (1.23)	4.48 (0.98)	1.71
Perks and Other benefits	3.91 (0.89)	3.59 (1.18)	3.77 (0.81)	3.76 (1.00)	0.54
Job Security	4.66 (0.70)	4.41 (1.09)	4.36 (1.00)	4.81 (0.40)	1.41
Promotional Opportunities	3.28 (0.96)	3.55 (0.99)	3.18 (1.14)	3.52 (0.87)	0.84
Work area located	3.50 (1.05)	3.48 (1.24)	3.50 (1.06)	3.95 (0.80)	1.03
Objectives / Activities / Goals of the Organization	3.72 (0.99)	3.41 (1.15)	3.59 (0.80)	4.10 (0.70)	2.17*
Goodwill of the Organization	3.59 (1.10)	3.41 (1.30)	3.36 (1.14)	4.19 (0.75)	2.58*

Figures in brackets are standard deviation.

\*Significant at 10% level; \*\*\*Significant at 1% level.

The level of attraction influence to motivating employees to join the cooperative organization in Pondicherry is compared across respondent groups with **different designation** and the results are reported in Table V.13.

It is found that the differences in the designation of the employees like Junior Inspectors, Senior Inspectors, Co-operative Officers and Deputy Registrars may have influence in motivating the employees, only with reference to the factors like category of the job (significant at 1 percent level), objectives/activities goals of the organization (significant at 10 percent level),



and good will of the organization (significant at 10 percent level) i.e. the status of the employees and objectives/goods/good will of the organization have motivated them. All the other factors are not having any influence on the employees to motivate them.

While the family size as a factor in motivating the employees were analysis by showing the relevant data in table V.14. The analysis pertaining to family size seems to have influence in motivating the employees to take up the job in the Department of Cooperatives.

**Table V.14**  
**Motivating Factors influenced to join this Organization –**  
**Comparison of Opinion by Family Size**

Motivating Factors	Family Size (Number of members)		t value
	Up to 4	Above 4	
Category of Job	3.13 (1.34)	3.23 (1.31)	0.34
Fixed Salary	4.35 (0.99)	4.27 (1.04)	0.34
Perks and Other benefits	3.77 (0.94)	3.73 (1.12)	0.17
Job Security	4.55 (0.89)	4.58 (0.76)	0.13
Promotional Opportunities	3.26 (0.95)	3.77 (1.03)	2.34**
Work area located	3.46 (1.07)	3.96 (1.00)	2.10**
Objectives / Activities / Goals of the Organization	3.67 (0.88)	3.73 (1.22)	0.29
Goodwill of the Organization	3.59 (1.07)	3.69 (1.32)	0.40

Figures in brackets are standard deviation.  
\*\*Significant at 5% level.

From the observation of the mean values of respondent groups belonging to families with number of members up to 4 and above 4, given in Table V.14, it becomes evident that the level of attraction with all motivating factors except Promotional Opportunities and Work area located is independent of the family size of the respondents as t-values for the difference in group means are not significant.

At the same time, most of the respondents belonging to family with number of members above 4 are moderately attracted with Promotional Opportunities (Mean = 3.77) and Work area located (Mean = 3.96) whereas their counterparts with family size up to 4 members are slightly attracted with these motivating factors. Further, the level of attraction differ significantly between the two family size groups with regard to Promotional Opportunities (t-value = 2.34,  $p < 0.05$ ) and Work area located (t-value = 2.10,  $p < 0.05$ ). On the whole, from the results it is concluded that the level of attraction with all motivating factors except Promotional Opportunities and Work area located is independent of the family size.

The organizational commitment of the employees may dependent upon the factors like **salary, bonus, incentives, allowances** and **present benefits** available in the organisation. The respondents were asked to chose between 'yes' and 'no' to reveal their satisfaction with the above factors.

The opinion of the respondents are cross tabulated across respondent categories by personal characteristics, such as age, sex, marital status, religion and caste to know as to whether the satisfaction of the employees are influenced by these characteristics or not. The levels of satisfaction of the respondent groups are collected through their responses like yes for satisfied and 'no' for unsatisfied groups. The anlaysis shows that majority of employees in the age upto 35 years and above 40 years are satisfied and only the employees in the age group between 36 and 40 are not satisfied. These levels of satisfaction are significant at 1 percent level. The difference in the

levels of satisfaction of the employees in the age group between 36 and 40 is to be attended by the Management. The processed data is presented in the table V.15.

**Table V.15**  
**Satisfaction with Pay Package – Comparison of Opinion by**  
**Personal Characteristics of the Respondents**

Personal Characteristics		Satisfaction with Present Pay Package			Chi-Square (DF)
		Yes	No	Total	
Age (Years)	Up to 35	15 (62.5)	9 (37.5)	24 (100.0)	10.52*** df=2
	36 – 40	4 (40.0)	6 (60.0)	10 (100.0)	
	Above 40	58 (82.9)	12 (17.1)	70 (100.0)	
Sex	Male	66 (75.0)	22 (25.0)	88 (100.0)	0.28 <sup>NS</sup> df=1
	Female	11 (68.8)	5 (31.3)	16 (100.0)	
Marital Status	Married	8 (72.7)	3 (27.3)	11 (100.0)	0.011 <sup>NS</sup> df=1
	Unmarried	69 (74.2)	24 (25.8)	93 (100.0)	
Religion	Hindu	65 (72.2)	25 (27.8)	90 (100.0)	1.15 <sup>NS</sup> df=1
	Non-Hindu	12 (85.7)	2 (14.3)	14 (100.0)	
Caste	Forward	3 (60.0)	2 (40.0)	5 (100.0)	8.29** df=3
	OBC	42 (77.8)	12 (22.2)	54 (100.0)	
	SC/ST	11 (52.4)	10 (47.6)	21 (100.0)	
	BC	21 (87.5)	3 (12.5)	24 (100.0)	
All		77 (74.0)	27 (26.0)	104 (100.0)	

Source: Primary Data. Figures in brackets are percentages to Row total.  
NS – Not Significant; \*\*Significant at 5% level; \*\*\*Significant at 1% level.

Similarly, the number of satisfied respondents with reference to pay package belonging to BC and OBC are 87.5 per cent and 77.8 per cent respectively. This is much higher than those belonging to Forward caste (60.0%) and SC/ST (52.4%). The above difference in the number of cases across four categories under caste groups satisfied with pay package is significant at 1 per cent level (Chi-square = 8.29,  $p < 0.01$ ) which needs the attention of the management for redressal.

More number of the respondents across categories by sex, marital status, religion are found to be satisfied with present salary. In the entire sample, 74.0 per cent of the respondents have expressed their satisfaction with present salary. On the whole, it is found that most of the employees in cooperative sector are satisfied with present salary, but there is significant difference in the level satisfaction and between to age groups and caste groups which needs the attention of the management.

The satisfaction of the respondents with present pay package is compared by job/family related characteristics.

The relevant data is shown in table V.16, from the observation of the results, it is understood that the majority of the respondents across the educational category (75.0% of graduates & 73.5% of post-graduates), and present position like Junior, Middle, Senior and top levels (64.3%, 83.9%, 76.9% and 80.0% respectively), family size (71.8% & 80.8% of the respondents from families with number of members up to 4 & above 4 respectively) and residence (72.8% of urban & 83.3% of rural groups) are found to be satisfied with present pay package.

**Table V.16**  
**Satisfaction with Present Pay Package – Comparison of Opinion by**  
**Job / Family Related Characteristics of the Respondents**

Job / Family Characteristics		Satisfaction with Present Pay Package			Chi-Square (DF)
		Yes	No	Total	
Education	Degree	27 (75.0)	9 (25.0)	36 (100.0)	0.026 <sup>NS</sup> df=1
	Post-Graduate	50 (73.5)	18 (26.5)	68 (100.0)	
	Junior Inspector	27 (84.4)	5 (15.6)	32 (100.0)	7.89** df=3
	Senior Inspector	18 (81.8)	4 (18.2)	22 (100.0)	
	Cooperative Officer	16 (55.2)	13 (44.8)	29 (100.0)	
	Deputy Registrar	16 (76.2)	5 (23.8)	21 (100.0)	
Present Position	Junior Level	27 (64.3)	15 (35.7)	42 (100.0)	3.84 <sup>NS</sup> df=3
	Middle Level	26 (83.9)	5 (16.1)	31 (100.0)	
	Senior Level	20 (76.9)	6 (23.1)	26 (100.0)	
	Top Level	4 (80.0)	1 (20.0)	5 (100.0)	
Family Size	Up to 4 members	56 (71.8)	22 (28.2)	78 (100.0)	0.82 <sup>NS</sup> df=1
	Above 4 members	21 (80.8)	5 (19.2)	26 (100.0)	
Residence	Urban	67 (72.8)	25 (27.2)	92 (100.0)	0.61 <sup>NS</sup> df=1
	Rural	10 (83.3)	2 (16.7)	12 (100.0)	
All		77 (74.0)	27 (26.0)	104 (100.0)	

Source: Primary Data. Figures in brackets are percentages to Row total.  
NS – Not Significant; \*\*Significant at 5% level.

From the Chi-square values, which are insignificant in can be inferred that the number of satisfied cases across these categories do not differ. On the other hand, the number of satisfied cases (though more than 50 per cent), are relatively less when compared to the number of respondent group comprising junior inspectors (84.4%), senior inspectors (81.8%) and deputy registrars (76.2%). The chi-square value (7.89) being significant at 5 per cent level, indicate that the satisfaction of the employees with present pay package is associated with designation.

Table V.17 presents the results of the cross tabulation analysis and chi-square test results for employees' satisfaction with present benefits from cooperative organization.

**Table V.17**  
**Satisfaction with Present Benefits – Comparison of Opinion by**  
**Personal Characteristics of the Respondents**

Personal Characteristics		Satisfaction with Present Benefits			Chi-Square (DF)
		Satisfied	Dissatisfied	Total	
Age (Years)	Up to 35	6 (25.0)	18 (75.0)	24 (100.0)	26.30*** df=2
	36 – 40	5 (50.0)	5 (50.0)	10 (100.0)	
	Above 40	57 (81.4)	13 (18.6)	70 (100.0)	
Sex	Male	63 (71.6)	25 (28.4)	88 (100.0)	9.73*** df=1
	Female	5 (31.3)	11 (68.8)	16 (100.0)	
Marital Status	Married	7 (63.6)	4 (36.4)	11 (100.0)	0.017 <sup>NS</sup> df=1
	Unmarried	61 (65.6)	32 (34.4)	93 (100.0)	
Religion	Hindu	56 (62.2)	34 (37.8)	90 (100.0)	2.95* df=1
	Non-Hindu	12 (85.7)	2 (14.3)	14 (100.0)	
Caste	Forward	3 (60.0)	2 (40.0)	5 (100.0)	6.20* df=3
	OBC	39 (72.2)	15 (27.8)	54 (100.0)	
	SC/ST	9 (42.9)	12 (57.1)	21 (100.0)	
	BC	17 (70.8)	7 (29.2)	24 (100.0)	
All		68 (65.4)	36 (34.6)	104 (100.0)	

Source: Primary Data. Figures in brackets are percentages to Row total.  
NS – Not Significant; \*Significant at 10% level; \*\*\*Significant at 1% level.

It can be observed from the table that 81.4 per cent of the employees aged above 40 years are satisfied while 75.0 per cent of the employees with age up to 30 years are dissatisfied with the same. The Chi-square value 26.30, being significant at 1 per cent level, reveals that the difference in the satisfaction among the three age groups are significant which needs the attention of the organisation. Similarly, there has been a significant difference in the number of satisfied and dissatisfied male and female employees ( $\chi^2 = 9.73$ ,  $p < 0.01$ ). While 71.6 per cent of the male employees are satisfied, 68.8 per cent of female employees have expressed their dissatisfaction with present benefits provided by the organization. i.e. female employees are dissatisfied which needs the attention of the organization.

Even though the majority of Hindus and Non-Hindus are satisfied, but still some are not satisfied. This difference in the levels of satisfaction needs to be attended by the Management. The same is the case with reference to the level of satisfaction is found to be independent of the marital status. In the whole sample, 65.4 per cent of the respondents are found to be satisfied with present benefits provided by the organization. Hence, it is concluded that the cooperative employees are satisfied with present benefits but the level of satisfaction among the respondents differ by age, sex, religion and Caste.

The satisfaction of the respondents with present benefits is compared by job/family related characteristics and the results of the comparative analysis are shown in Table V.18.

From the observation of the table, it is understood that 83.3 per cent of employees with graduation and 55.9 per cent with post-graduation are satisfied with present benefits.

**Table V.18**  
**Satisfaction with Present Benefits – Comparison of Opinion by**  
**Job / Family Related Characteristics of the Respondents**

Job / Family Characteristics		Satisfaction with Present Benefits			Chi-Square (DF)
		Satisfied	Dissatisfied	Total	
Education	Degree	30 (83.3)	6 (16.7)	36 (100.0)	7.84*** df=1
	Post-Graduate	38 (55.9)	30 (44.1)	68 (100.0)	
Designation	Junior Inspector	27 (84.4)	5 (15.6)	32 (100.0)	37.06*** df=3
	Senior Inspector	16 (72.7)	6 (27.3)	22 (100.0)	
	Cooperative Officer	6 (20.7)	23 (79.3)	29 (100.0)	
	Deputy Registrar	19 (90.5)	2 (9.5)	21 (100.0)	
Present Position	Junior Level	18 (42.9)	24 (57.1)	42 (100.0)	16.94*** df=2
	Middle Level	23 (74.2)	8 (25.8)	31 (100.0)	
	Senior Level	27 (87.1)	4 (12.9)	31 (100.0)	
Family Size	Up to 4 members	48 (61.5)	30 (38.5)	78 (100.0)	2.04 <sup>NS</sup> df=1
	Above 4 members	20 (76.9)	6 (23.1)	26 (100.0)	
Residence	Urban	61 (66.3)	31 (33.7)	92 (100.0)	0.30 <sup>NS</sup> df=1
	Rural	7 (58.3)	5 (41.7)	12 (100.0)	
All		68 (65.4)	36 (34.6)	104 (100.0)	

Source: Primary Data. Figures in brackets are percentages to Row total.  
NS – Not Significant; \*\*\*Significant at 1% level.

However, the number of dissatisfied cases among post-graduate group is much higher when compared to that among graduate group. Further the difference is significant at 1 per cent level ( $\chi^2 = 7.84$ ,  $p < 0.01$ ). i.e. the difference in the satisfaction of the employees due to the educational qualification is significant. Which requires the attention of the management to avoid frustration positively motivate them by appropriate measures.



The designation wise analyse made showed that while majority of the Cooperative officers are not satisfied, most of the junior inspectors, senior inspectors and deputy registrars are satisfied with their present benefits. This difference is also significant at 1 per cent level ( $\chi^2 = 37.06$ ,  $p < 0.01$ ). Similarly, the satisfaction with present benefits differ among the groups by present position ( $\chi^2 = 16.94$ ,  $p < 0.01$ ). This difference is significant. At the same time, the employees' perception about their present benefits is independent of the family size and place of residence. Overall, it is found that cooperative employees' satisfaction with present benefits differ by educational status and job status (designation & present position).

From the perusal of the Table V.19, it is evident that performance appraisal systems in the cooperative organizations has satisfied the employees at moderate level as 53.8 per cent of the sample employees have said 'yes' against 46.2 per cent of them have reported as not satisfied.

**Table V.19**  
**Performance Appraisal Systems in the Organizations – Comparison of**  
**Opinion by Job / Organization Related Characteristics**

Job / Organization Characteristics		Performance Appraisal Systems in the Organizations			Chi-Square (DF)
		Yes	No	Total	
Designation	Junior Inspector	17 (53.1)	15 (46.9)	32 (100.0)	25.02*** df=3
	Senior Inspector	14 (63.6)	8 (36.4)	22 (100.0)	
	Cooperative Officer	6 (20.7)	23 (79.3)	29 (100.0)	
	Deputy Registrar	19 (90.5)	2 (9.5)	21 (100.0)	
Present Position	Junior Level	12 (28.6)	30 (71.4)	42 (100.0)	19.15*** df=2
	Middle Level	20 (64.5)	11 (35.5)	31 (100.0)	
	Senior Level	24 (77.4)	7 (22.6)	31 (100.0)	
Type of Cooperative Sector	Credit	13 (50.0)	13 (50.0)	26 (100.0)	5.81** df=2
	Non-Credit	37 (62.7)	22 (37.3)	59 (100.0)	
	Both	6 (31.6)	13 (68.4)	19 (100.0)	
All		56 (53.8)	48 (46.2)	104 (100.0)	

Source: Primary Data. Figures in brackets are percentages to Row total.

\*\*Significant at 5% level; \*\*\*Significant at 1% level.

When opinion of the respondents are compared across the groups by designation, the present position and the type of cooperative sectors, it is found that there is agreement in the opinions of the employees with regard to designation ( $\chi^2 = 25.02, p < 0.01$ ) and present position ( $\chi^2 = 19.15, p < 0.01$ ) and also for the type of organisation ( $\chi^2 = 5.81, p < 0.05$ ).

From frequency and percentage values, it is clear that while 79.3 per cent of the cooperative officers have said 'no', majority of the junior inspectors, senior inspectors, deputy registrars have stated 'yes' to approve their satisfaction with the present performance appraisal system. Similarly, 71.4 per cent of the employees in junior position have not seen any performance appraisal system in the organization whereas the opinion of 64.5 per cent and 77.4 per cent of them in the middle and senior levels have contradicted this statement. When compared by the type of cooperative sector, it is understood that 62.7 per cent in the non-credit cooperative societies have affirmed the existence of performance appraisal system in their organization whereas 68.4 per cent of those in both credit / non-credit type cooperative societies have not seen any such systems. To sum up, it is found that the performance appraisal systems in cooperative organization are neither prominent nor dissatisfactory and the opinion of the respondents differ by designation, present position and type of cooperative sectors.

Regarding systems followed for performance appraisal as analysed in Table V.20. presents the distribution of the respondents with 'yes' opinion to the following systems followed in the table.

**Table V.20**  
**System followed in Appraising**

(N = 56)		
<b>Followed Systems</b>	<b>N</b>	<b>% to Total</b>
Management groups appraisal	8	14.3
Staff group appraisal	3	5.4
Committee appraisal	17	30.4
Peer appraisal	28	50.0
<b>Total</b>	<b>56</b>	<b>100.0</b>

Note: Only cases with 'Yes' opinion about "Performance Appraisal Systems"

As shown in the table, Peer appraisal followed by committee appraisal is the system adopted by the cooperative organization for performance appraisal as 50.0 per cent and 30.4 per cent of the respondents have reported respectively.

The reasons for following the performance appraisal system analysed presenting the data in Table V.21.

**Table V.21**  
**Reasons for Performance Appraisal followed in the Organization**

(N = 56)

Performance Appraisal	N	% to Total
Promotion and transfer	25	44.6
Determining salary increase	2	3.6
Training and development	21	37.5
Motivate the employees by indicating their performance level	8	14.3
Total	56	100.0

Note: Only cases with 'Yes' opinion about "Performance Appraisal Systems"

The examination of the table shows that performance appraisal followed in the organization is for promotion and transfer as stated by 44.6 per cent of the respondents. Next to this, training and development is the use for performance appraisal (as opined by 37.5 per cent of the respondents).

This shows that the popular method is peer appraisal and committee appraisal and the main reasons for the appraisal are for the use of promotion and transfer and the training and development.

Career planning and career developments are important aspects for the development and growth of the employees on the one side and motivation and improved performance are the benefits available for the organization and hence the steps in career planning and career development are analysed here. For this purpose the relevant data is collected and the processed data is portrayed in table V.22.

**Table V.22**  
**Adoption of Formal Career Planning System – Comparison of Opinion by Job / Organization Related Characteristics**

Job / Organization Characteristics		Adoption of Formal Career Planning System			Chi-Square (DF)
		Yes	No	Total	
Designation	Junior Inspector	5 (15.6)	27 (84.4)	32 (100.0)	3.39 <sup>NS</sup> df=3
	Senior Inspector	6 (27.3)	16 (72.7)	22 (100.0)	
	Cooperative Officer	10 (34.5)	19 (65.5)	29 (100.0)	
	Deputy Registrar	4 (19.1)	17 (81.0)	21 (100.0)	
Present Position	Junior Level	14 (33.3)	28 (66.7)	42 (100.0)	7.66 <sup>**</sup> df=2
	Middle Level	2 (6.5)	29 (93.6)	31 (100.0)	
	Senior Level	9 (29.0)	22 (71.0)	31 (100.0)	
Type of Cooperative Sector	Credit	5 (19.2)	21 (80.8)	26 (100.0)	2.16 <sup>NS</sup> df=2
	Non-Credit	13 (22.0)	46 (78.0)	59 (100.0)	
	Both	7 (36.8)	12 (63.2)	19 (100.0)	
All		25 (24.0)	79 (76.0)	104 (100.0)	

Source: Primary Data. Figures in brackets are percentages to Row total.

\*\*Significant at 5% level; \*\*\*Significant at 1% level.

According to table, the adoption of formal career planning system is hardly seen in the cooperative organization as 76.0 per cent of the respondents in the sample have given no to the existence of the scheme in their organisation. When analysed across respondent groups by designation, it is found that majority of the respondents irrespective of the designation have not seen adoption of formal career planning scheme in the organization. The scenario is very similar when compared across respondent groups by type of cooperative sector. However, the number of respondents affirming the existence of such a scheme among juniors are (33.3%) and seniors (29.0%) when compared to that of those in the middle levels (6.5). The chi-square value, 7.66 for the difference in observed frequencies is significant at 5 per cent level, indicate that the respondents groups with different position differ in their opinion about availability of formal career planning system. On the whole it is found that the cooperative organization do not follow a formal career planning system as most of the employees irrespective of the designation and type of cooperative sectors are of having a similar view.

When majority of the employees in different categories have stated that there is imbalance of existence of the career planning and career development scheme, an attempt here further to find out their views about the prospects of adoption of such a scheme in the Cooperative Organisations in Pondicherry. For this, the responses which say 'yes' it may be useful above were taken for analysis and the relevant data is portrayed in table V.23.

**Table V.23**  
**Adoption of Career Planning System really provides better prospects for Employees Development**

(N = 25)

Level of Agreement	N	% to Total
Strongly Disagree	16	64.0
Disagree	3	12.0
Undecided	3	12.0
Agree	3	12.0
Total	25	100.0

Note: Only cases with 'yes' opinion "Adoption of Career Planning" (Table V.22)

From among the employees who have perceived that the career planning system is available (n = 25), the opinions are obtained to know whether adoption of career planning system really provides better prospects for employee development. The analysis of the table shows the distribution of the respondents based on their opinion and it is understood that 16 out of 25 respondents (64.0%) have strongly disagreed that a formal of career planning system provide better prospects for the employee development.

On the whole 76.0 per cent of the respondents (16 strongly disagreeing + 3 disagreeing out of 25) have given negative opinion. Hence, it is concluded that adoption of career planning systems do not really provide better prospects for development of employees.

The chances of promotional avenue in cooperative organizations are analyzed by cross tabulating the opinion of the respondents by designation, present position and type of cooperative sector. The results of the analysis are shown in Table V.24.

As per the table, 59.4 per cent of junior inspector have perceived 'not better' while 55.2 per cent of the cooperative officers, 54.6 per cent of the senior inspectors and 71.4 per cent of the deputy registrars have perceived "better" about promotional avenue in the cooperative organizations. Similarly, 61.9 per cent in junior position and 61.3 per cent in senior positions have perceived the promotion avenue as better whereas it is not better for 64.5 per cent of the employees in the middle levels.

**Table V.24**  
**Status of Promotional Avenue in Cooperative Organizations – Comparison**  
**of Opinion by Job/Organization Related Characteristics**

Job / Organization Characteristics		Status of Promotion Avenue			Chi-Square (DF)
		Better	Not Better	Total	
Designation	Junior Inspector	16 (55.2)	13 (44.8)	29 (100.0)	4.89 <sup>NS</sup> df=3
	Senior Inspector	13 (40.6)	19 (59.4)	32 (100.0)	
	Cooperative Officer	12 (54.6)	10 (45.5)	22 (100.0)	
	Deputy Registrar	15 (71.4)	6 (28.6)	21 (100.0)	
Present Position	Junior Level	26 (61.9)	16 (38.1)	42 (100.0)	5.99 <sup>**</sup> df=2
	Middle Level	11 (35.5)	20 (64.5)	31 (100.0)	
	Senior Level	19 (61.3)	12 (38.7)	31 (100.0)	
Type of Cooperative Sector	Credit	17 (65.4)	9 (34.6)	26 (100.0)	1.93 <sup>NS</sup> df=2
	Non-Credit	30 (50.9)	29 (49.2)	59 (100.0)	
	Both	9 (47.4)	10 (52.6)	19 (100.0)	
All		56 (53.8)	48 (46.2)	104 (100.0)	

Source: Primary Data. Figures in brackets are percentages to Row total.

\*\*Significant at 5% level; \*\*\*Significant at 1% level.

More than 60 per cent of the respondents from credit cooperative societies have perceived the promotion avenue as better against 50.9 per cent and 47.4 per cent of those belonging to non-credit and credit cooperative societies. On the whole sample, 53.8 per cent of the respondents have perceived that the promotional avenues in cooperative organization are better. Further, the chi-square value is significant only for “present position”

( $\chi^2 = 5.99$ ,  $p < 0.05$ ). So, it may be concluded that the promotion avenue in cooperative organization is somewhat better but employees in the middle level differ significantly from others in this regard.

Impartiality in carrying out the promotions is one of the important factors satisfying the employees that shall make the employees to be motivated and through it create an organizational commitment. Therefore for the purpose of evaluating as to how far the impartiality has been followed in carrying out the promotions in the cooperatives in Pondicherry, the relevant data is collected and the processed data is presented in the table V.25.

**Table V.25**  
**Impartiality in Carrying out Promotion – Comparison of Opinion by Job/Organization Related Characteristics**

Job / Organization Characteristics		Opinion			Chi-Square (DF)
		Not Impartial	Impartial	Total	
Designation	Junior Inspector	2 (6.3)	30 (93.8)	32 (100.0)	12.21*** df=3
	Senior Inspector	3 (13.6)	19 (86.4)	22 (100.0)	
	Cooperative Officer	12 (41.4)	17 (58.6)	29 (100.0)	
	Deputy Registrar	5 (23.8)	16 (76.2)	21 (100.0)	
Present Position	Junior Level	14 (33.3)	28 (66.7)	42 (100.0)	7.81** df=2
	Middle Level	2 (6.5)	29 (93.6)	31 (100.0)	
	Senior Level	6 (19.4)	25 (80.7)	31 (100.0)	
Type of Cooperative Sector	Credit	6 (23.1)	20 (76.9)	26 (100.0)	7.10** df=2
	Non-Credit	8 (13.6)	51 (86.4)	59 (100.0)	
	Both	8 (42.1)	11 (57.9)	19 (100.0)	
All		22 (21.2)	82 (78.8)	104 (100.0)	

Source: Primary Data. Figures in brackets are percentages to Row total.  
\*\*Significant at 5% level; \*\*\*Significant at 1% level.



With reference to the impartiality in carrying out the promotion, it can be observed from the table that promotion in the cooperative organization is impartial as per 93.8 per cent of the junior inspectors, 86.4 per cent of the senior inspectors, 76.2 per cent of deputy registrars and 58.6 per cent of the cooperative officers. i.e. in all the cadres majority of the employees have reported that it is impartial. But however a small section in all the categories and 41.4 percent of cooperative officers has reported that it was not impartial.

Though there is a difference in the opinions among the groups with different designation ( $\chi^2 = 12.21$ ,  $p < 0.01$ ), the majority of the employees in each group have opined 'impartial'. Similarly, most of the respondents across all categories of present position and type of cooperative sectors have stated 'impartial'. Though there is notable difference in number of observed cases ( $\chi^2 = 7.81$ ,  $p < 0.05$ ) for "Present position" and ( $\chi^2 = 7.10$ ,  $p < 0.05$ ) for "type of cooperative sector".

On the whole 78.8 per cent of the respondents have perceived implementing the promotions in the cooperative sector as impartial, even though there are some variations in the perceptions in all the three criteria.

The opportunities given by the organization for self development for being eligible for promotion is important aspect in the career development and making them committed to the organization and enabling them to perform well and hence it is evaluated here and measured with values 1 for "Strongly disagree", 2 for "Disagree", 3 for "Undecided", 4 for "Agree" and 5 for "Strongly Agree" as was done earlier.

For this purpose the relevant data is collected and the processed data is shown in table V.36 with the calculated mean perception of the respondent groups by designation, present position and the type of cooperative sector.

**Table V.26**  
**Opportunities for Self Development and Promotion Offered by Organization –**  
**Comparison of Opinion by Job/Organization Related Characteristics**

Job / Organization Characteristics		N	Mean	SD	F Value (DF)
Designation	Junior Inspector	32	2.53	1.19	2.94** (3, 100)
	Senior Inspector	29	3.38	1.37	
	Cooperative Officer	22	2.55	1.22	
	Deputy Registrar	21	2.67	1.20	
Present Position	Junior Level	42	2.93	1.33	0.67 <sup>NS</sup> (2, 101)
	Middle Level	31	2.58	1.20	
	Senior Level	31	2.84	1.32	
Type of Cooperative Sector	Credit	26	2.46	1.10	3.78** (2, 101)
	Non-Credit	59	2.73	1.28	
	Both	19	3.47	1.35	
All		104	2.80	1.29	

Source: Primary Data. Figures in brackets are percentages to Row total.

\*\*Significant at 5% level; \*\*\*Significant at 1% level.

It can be seen from the table that the opinion of the respondents across all categories is 'undecided' (neither agree nor disagree) as mean scores for most of the categories are between 2.53 and 3.38, i.e. **"undecided" range**. The respondent group belonging to credit society have disagreed (Mean = 2.46) that there has been opportunities for self development for promotion offered by the organization. For the entire sample, the opinion is 'undecided' (Mean = 2.80). F values, 2.94 for designation and 3.78 for "type of cooperative sector" are significant at 5 per cent level, indicates that **there is a significant difference**. This difference in the opinions between the subgroups has to be addressed by the organisation. To sum up, it is found that the cooperative employees are not sure that there had been opportunities for self development and promotion offered by cooperative organization in Pondicherry.

Having analysed the impartiality in awarding promotions and the opportunities for promotional avenue, now an attempt is made to evaluate the criteria adopted for awarding the promotion. For this purpose relevant data is collected and shown in the table V.27.

**Table V.27**  
**Criteria Adopted by the Organization for promoting to Higher level**  
(N = 104)

Criteria	N	% to Total
Seniority	71	68.3
Seniority cum merit	33	31.7
All Sample	104	100.0

The observation of the table shows that in the opinions of the respondents, seniority is the major criteria adopted by the organization while promoting its employees to higher positions as 68.3 percent of the respondents have reported. Out of 104 employees, 33 respondents (31.7%) have perceived the “seniority cum merit” is the criteria adopted by the organization while promoting the employees to the higher level.

Even though opinions are varying between the different segments of the employees about the impartiality in implementing the promotions and the promotion policy, the analysis about the levels of satisfaction of the employees about the promotion policy and the method of implementing it an essential part for measuring the organizational commitment of the employees. Hence an attempt is made in this direction by presenting the processed data in Table V.28.

**Table V.28**  
**Satisfaction with the promotion policy adopted in the cooperatives –**  
**Comparison of Opinion by Job / Organization Related Characteristics**

Job / Organization Characteristics		Satisfaction			Chi-Square (DF)
		Yes	No	Total	
Designation	Junior Inspector	27 (84.4)	5 (15.6)	32 (100.0)	9.28** df=3
	Senior Inspector	15 (68.2)	7 (31.8)	22 (100.0)	
	Cooperative Officer	14 (48.3)	15 (51.7)	29 (100.0)	
	Deputy Registrar	15 (71.4)	6 (28.6)	21 (100.0)	
Present Position	Junior Level	26 (61.9)	16 (38.1)	42 (100.0)	1.39 <sup>NS</sup> df=2
	Middle Level	23 (74.2)	8 (25.8)	31 (100.0)	
	Senior Level	22 (71.0)	9 (29.0)	31 (100.0)	
Type of Cooperative Sector	Credit	19 (73.1)	7 (26.9)	26 (100.0)	0.51 <sup>NS</sup> df=2
	Non-Credit	40 (67.8)	19 (32.2)	59 (100.0)	
	Both	12 (63.2)	7 (36.8)	19 (100.0)	
All		71 (68.3)	33 (31.7)	104 (100.0)	

Source: Primary Data. Figures in brackets are percentages to Row total.  
 \*\*Significant at 5% level; \*\*\*Significant at 1% level.

The observation of the table shows that 84.4 per cent of the junior inspectors, 68.2 per cent of the senior inspectors and 71.4 per cent of the deputy registrars have expressed their satisfaction with the promotion policy adopted by the cooperative organization. However, just more than 51.7 per cent of the cooperative officers are found to be dissatisfied with promotion policy of the organization. This difference seems to be significant. It needs the attention of the organisation to convince the employees that it is impartial and the method followed is perfect.

When compared by present position, it is found that majority of the employees in the junior level (61.9%), middle level (74.2%) and senior level (71.0%) are satisfied with promotion policy followed by the cooperative organization. Similarly, the number of satisfied employees from credit, non-credit and credit / non-credit cooperative are higher. The chi-square value is significant for the respondent groups by designation ( $\chi^2 = 9.28$ ,  $p < 0.05$ ) and their levels of their satisfaction. But no such relationship exists between the satisfaction of the employees and the type of the organization or the present position of the employees in the cooperatives. The promotion policy is not influenced by the type of organization or present position.

Training programmes are essential for equipping the latest and required skills for the development of the employees are essential and hence the same is attempted here in table V.29.

**Table V.29**  
**Organizing Training Programme and Educational Courses for Career Development by Organization–Comparison of Opinion by Job/Organization Related Characteristics**

Job / Organization Characteristics		Opinion			Chi-Square (DF)
		Yes	No	Total	
	Junior Inspector	29 (90.6)	3 (9.4)	32 (100.0)	3.40 <sup>NS</sup> df=3
	Senior Inspector	21 (95.5)	1 (4.6)	22 (100.0)	
	Cooperative Officer	23 (79.3)	6 (20.7)	29 (100.0)	
	Deputy Registrar	18 (85.7)	3 (14.3)	21 (100.0)	
Present Position	Junior Level	36 (85.7)	6 (14.3)	42 (100.0)	0.35 <sup>NS</sup> df=2
	Middle Level	28 (90.3)	3 (9.7)	31 (100.0)	
	Senior Level	27 (87.1)	4 (12.9)	31 (100.0)	
Type of Cooperative Sector	Credit	25 (96.2)	1 (3.9)	26 (100.0)	2.92 <sup>NS</sup> df=2
	Non-Credit	49 (83.1)	10 (17.0)	59 (100.0)	
	Both	17 (89.5)	2 (10.5)	19 (100.0)	
All		91 (87.5)	13 (12.5)	104 (100.0)	

Source: Primary Data. Figures in brackets are percentages to Row total.

\*\*Significant at 5% level; \*\*\*Significant at 1% level.

The classification of the employees according to groups by designation, present position and type of cooperative sector also shows that majority of the respondents have expressed similar view as above. Moreover, chi-square values for the difference in observed frequencies across groups by designation, present position and type of cooperative sector are insignificant. On the whole, from the results, it is found that the cooperative organizations in Pondicherry organize training programme and education courses for career development of its employees. This is revealed through 'yes' answer by majority of the employees in all the three classification of the employees.

Table V.30 presents the distribution of sample respondents based on their opinion about the method of training programmes. Only the opinion of those respondents who have expressed 'yes' for "Organizing training programme and education courses for career development by organization" are considered here in the table V.29.

**Table V.30**  
**Method of Training Programmes followed in the Organization**

(N = 91)

Level of Agreement	N	% to Total
Pre-employment training	3	3.3
Training during the employment	74	81.3
Both the above	14	15.4
Total	91	100.0

Note: Only the cases with 'yes' opinion for "Organizing Training Programme and Education Courses for Career Development by Organization" (Table V.29)

The examination of the table shows that 74 out of 91 respondents (81.3%) have perceived "**training during the employment**" as the method of training programme followed in the organization. Fourteen respondents (15.5) have pointed out the both pre-employment training and training during the employment is the method used for training the employees. Pre-employment training is found to be rare among the cooperative

organization (3 out of 91 cases – 3.3%). So, it is concluded that training during the pre employment and period is the method of training programmes followed in cooperative organization in Pondicherry.

**Table V.31**  
**Status of Training Programmes**

(N = 91)

Status	N	% to Total
Not Satisfactory	8	8.8
Satisfactory	20	22.0
Good	30	33.0
Very Good	33	36.3
Total	91	100.0

Note: Only cases with 'yes' opinion "Organizing Training Programme and Education Courses for Career Development by Organization" (Table V.29)

The views of the employees about the status of the training programme can influence the organisational commitment and hence an attempt is made here in the table V.31.

With regard to the status of the training programmes, the observation of the table reveals that the training programmes adopted by the cooperative organization is beyond satisfactory level. Out of 91 respondents, 36.3 per cent, 33.0 per cent and 22.0 per cent of the respondents have perceived it as very good, good and satisfactory.

The opinion of the respondents about status of training programmes is compared among groups by designation, present position and type of cooperative sector in order to know whether the opinion of the employees are irrefutable or not.

The method used for evaluating it is 1 for "Poor", 2 for "Not satisfied", 3 for "Satisfactory", 4 for "Good" and 5 for "Very good".

The opinion of the group of respondents is found to be “Poor”, “Not satisfied”, “Satisfactory”, “Good” and “Very good” if the group mean score are as given under.

Poor	< 1.50
Not Satisfied	≥ 1.50 to ≤ 2.50
Satisfactory	≥ 2.50 to ≤ 3.50
Good	≥ 3.50 to ≤ 4.50
Very good	≥ 4.50

**Table V.32**  
**Status of Training Programmes – Comparison of Mean Perception by**  
**Job/Organization Related Characteristics**

Job / Organization Characteristics		N	Mean	SD	F Value (DF)
Designation	Junior Inspector	29	4.24	0.87	1.65 <sup>NS</sup> (3, 87)
	Senior Inspector	21	3.90	0.94	
	Cooperative Officer	23	3.65	0.93	
	Deputy Registrar	18	4.00	1.14	
Present Position	Junior Level	36	3.75	0.91	1.54 <sup>NS</sup> (2, 88)
	Middle Level	28	4.14	0.97	
	Senior Level	27	4.07	1.04	
Type of Cooperative Sector	Credit	25	3.92	1.04	0.16 <sup>NS</sup> (2, 88)
	Non-Credit	49	4.02	0.99	
	Both	17	3.88	0.86	
All		91	3.97	0.97	

Source: Primary Data. Figures in brackets are percentages to Row total.  
 \*\*Significant at 5% level; \*\*\*Significant at 1% level.



According to the table, the mean perception scores for all respondent groups are between 3.50 and 4.50, i.e. **in the range of “Good”**. Majority of the respondents in the sample have perceived the status of training programmes as “good” (Mean = 3.97). **The ‘F’ values for the difference** in group mean scores are not significant revealing the similarity in the perception across groups. Therefore, it can be concluded that the status of training programmes have been **‘good’** in cooperative organizations of Pondicherry.

**Table V.33**  
**Place of Training the Staff**

(N = 91)

Training Place	N	% to Total
On the job	25	27.5
Co-operative training institution	56	61.5
Co-operative training colleges	10	11.0
Total	91	100.0

Note: Only cases with ‘yes’ opinion “Organizing Training Programme and Education Courses for Career Development by Organization” (Table V.29)

When there are different methods of training is available it is essential to know the place of training to find out as it is on the job, of the job training or in the special institutions. The opinions of the employees are portrayed in table V.33.

It can be seen from Table V.33 that the cooperative training institution is the place used for training the staff as 56 out of 91 respondents (61.5%) have respected. Next to the cooperative training institution, on the job training is reported by 27.5 per cent of the respondents. Giving training through cooperative training colleges is found to be less among the cooperative organizations (11.0%). So, cooperative training institution is the primary place for training the Cooperative Department staff in Pondicherry.

Table V.34 is reported with the results of the cross tabulation for “incentives offered” to respondent groups across designation, present position and type of cooperative sectors.

It can be noted from the table that there is no any incentive to the personnel trained according to 62.1 per cent, 82.6 per cent and 71.4 per cent of the junior inspectors, cooperative officers, and senior inspectors respectively. However, 61.1 per cent of the deputy registrars have stated that incentives are given to the trained personnel.

**Table V.34**  
**Payment of Incentive to the Trained Personnel–Comparison of Opinion by Job/Organization Related Characteristics**

Job / Organization Characteristics		Incentives Offered			Chi-Square (DF)
		Yes	No	Total	
Designation	Junior Inspector	11 (37.9)	18 (62.1)	29 (100.0)	9.00** df=3
	Senior Inspector	6 (28.6)	15 (71.4)	21 (100.0)	
	Cooperative Officer	4 (17.4)	19 (82.6)	23 (100.0)	
	Deputy Registrar	11 (61.1)	7 (38.9)	18 (100.0)	
Present Position	Junior Level	8 (22.2)	28 (77.8)	36 (100.0)	4.85* df=2
	Middle Level	11 (39.3)	17 (60.7)	28 (100.0)	
	Senior Level	13 (48.2)	14 (51.9)	27 (100.0)	
Type of Cooperative Sector	Credit	11 (44.0)	14 (56.0)	25 (100.0)	3.20 <sup>NS</sup> df=2
	Non-Credit	18 (36.7)	31 (63.3)	49 (100.0)	
	Both	3 (17.7)	14 (82.4)	17 (100.0)	
All		32 (35.2)	59 (64.8)	91 (100.0)	

Source: Primary Data. Figures in brackets are percentages to Row total.  
\*Significant at 10% level; \*\*Significant at 5% level.

When compared by present position, it is found that majority of the employees in junior (77.8%) and middle (60.7%) levels have not seen any incentives paid to the extra trained personnel. On the other hand, the employees in the senior position have almost divided equally in their opinion with regard to the above. At the same time, most of the employees from credit, non-credit and credit/non-credit societies have stated that no incentives are paid to the personnel for additional training. Moreover, chi-square value is significant at 5 per cent level for designation ( $\chi^2 = 9.00, p < 0.05$ ) and it is significant at 10 per cent level for present position ( $\chi^2 = 4.85, p < 0.10$ ). In the entire sample, majority of the respondents have not seen any incentive to the training acquired by the personnel in cooperative organization. On the whole, it is found that payment of incentives to training to the personnel is not widespread in cooperative organization in Pondicherry.

As some people reporting no incentives were available for undergoing extra training and some section of the employees accepting that incentives are available for acquiring additional training, an attempt is made here to find out the type of incentives given to the trained personnel. The relevant information is shown in the table V.35.

**Table V.35**  
**Type of Incentive Given to the Trained Personnel**

(N = 32)

Type of Incentive	N	% to Total
Promotion	3	9.4
Meeting the training cost and duty leave	29	90.6
Total	32	100.0

Note: Only cases with 'yes' opinion about "Organizing Training Programme and Education Courses for Career Development by Organization" and about "Incentive offered" (Table V.34)

The opinion regarding type of incentives given to the training personnel is obtained from those respondents who have said 'yes' to "payment of incentives for training personnel" (Table V.34). From the distribution of the respondents by opinion as reported in Table V.35, it is understood that "meeting the training cost and duty leave" is the type of incentive given to the training personnel (90.6%). Only 9.4 per cent of the respondents have stated "promotion" as type of incentive.

After analysing the type of incentives given for under going additional training the analysis about the rewards given for the efforts put forward by the employees in the Cooperatives in Pondicherry. For this the relevant data is collected and presented in the table V.36.

**Table V.36**  
**Giving rewards for effort put forward – Comparison of Opinion by**  
**Job/Organization Related Characteristics Cross Tabulation**

Job / Organization Characteristics		Giving Reward				Chi-Square (DF)
		Quite low	Slightly Low	Just Right	Total	
Designation	Junior Inspector	18 (56.3)	5 (15.6)	9 (28.1)	32 (100.0)	4.69 <sup>NS</sup> df=6
	Senior Inspector	12 (54.6)	3 (13.6)	7 (31.8)	22 (100.0)	
	Cooperative Officer	15 (51.7)	8 (27.6)	6 (20.7)	29 (100.0)	
	Deputy Registrar	15 (71.4)	2 (9.5)	4 (19.1)	21 (100.0)	
Present Position	Junior Level	17 (40.5)	11 (26.2)	14 (33.3)	42 (100.0)	10.61 <sup>**</sup> df=4
	Middle Level	24 (77.4)	3 (9.7)	4 (12.9)	31 (100.0)	
	Senior Level	19 (61.3)	4 (12.9)	8 (25.8)	31 (100.0)	
Type of Cooperative Sector	Credit	14 (53.9)	2 (7.7)	10 (38.5)	26 (100.0)	5.17 <sup>NS</sup> df=4
	Non-Credit	35 (59.3)	11 (18.6)	13 (22.0)	59 (100.0)	
	Both	11 (57.9)	5 (26.3)	3 (15.8)	19 (100.0)	
All		60 (57.7)	18 (17.3)	26 (25.0)	104 (100.0)	

Source: Primary Data. Figures in brackets are percentages to Row total.

\*\*Significant at 5% level.

With regard to the “giving rewards to the employees for the type of efforts put forward” by the employees, it can be seen from table that the number of respondents whose perception is “quite low”, “slightly low” and “just right” are 57.7 per cent, 17.3 per cent and 25.0 per cent in the total sample. That is, majority of the respondents in the sample have perceived **“giving rewards to the employees for the efforts put forward”** is low. The opinion do not differ when compared across respondent groups by designation and the type of cooperative sector (Chi-square values are insignificant). However, there is significant difference in the opinion among employee groups between the junior, middle and senior levels ( $\chi^2 = 10.61, p < 0.05$ ).

While 77.4 per cent of the middle level and 61.3 per cent of the senior level and 40.5 per cent of the junior level employees have perceived that it is “quite low”.

The percentage of junior level employees with “slightly low” (26.2%) and “just right” (33.3%) opinion is higher than that those among middle and senior level employee groups. However, the number of cases with “quite low” being higher when compared to number of cases with “slightly low” and “just right” the opinion among the employees in junior position is different.

## **Chapter - VI**

### **JOB SATISFACTION AND ORGANISATIONAL COMMITMENT**

Job satisfaction is the extent to which an employee feels positive about his or her job.<sup>1</sup> Job satisfaction is a contribution of cognitive and affective reactions to the differential perceptions of what an employee wants to receive compared with what he or she actually receives.<sup>2</sup>

Robbins<sup>3</sup> has observed that a person with a high level of job satisfaction holds positive attitudes toward his job, while a person dissatisfied with his job holds negative attitudes toward his job.

Job satisfaction is derived from and is the result of many interrelated factors which cannot be completely isolated from one another for analytical purposes. However, they can, by the use of statistical techniques, be sufficiently separated so as to give an indication of their relative importance to job satisfaction. The most important factors among these could be classified into "personal" factors and the factors "inherent" in the job. Personal factors relate to age, education, experience, sex, marital status, intelligence, personality etc. Factors inherent in the job are the type of work, the skills required, occupational status, job security, salary, promotional opportunity, physical conditions etc.

An emerging area of study is the interplay between job and life satisfaction. Researchers have speculated that there are three possible forms of the relationship between job satisfaction and life satisfaction:

1. Spillover, where job experiences spills over to non work life and vice versa;
2. Segmentation, where job and life experiences are separated and have little to do with one another; and

3. Compensation, where an individual seeks to compensate for a dissatisfaction in the job by seeking fulfillment and happiness in his or her non-work life and vice versa.<sup>4</sup>

So, in this chapter job satisfaction of the employees in cooperative organizations in Pondicherry is analyzed for the purpose of finding out their levels of organisational commitment.

To measure the job satisfaction of the cooperative employees, 22 job related characteristics were incorporated in the questionnaire with values ranging from 1 to 5 (i.e. 1 for "Extremely Dissatisfied", 2 for "Dissatisfied", 3 for "Neither satisfied nor dissatisfied", 4 for "Satisfied" and 5 for "Extremely satisfied", etc.). The responses of the employees relating to satisfaction were first subjected to reliability/item analysis by calculating Cronbach alpha coefficient to find out the internal consistency of the job related variables used. Cronbach's alpha is a measure of internal consistency, that is, it measures as to how closely related are the set of items as a group. A "high" value of alpha is often used (along with substantive arguments and possibly other statistical measures) as evidence that the items measure the underlying (or latent) construct.

**Exploratory factor analysis** is one method for checking dimensionality. Technically speaking, Cronbach's alpha is not a statistical test - **it is a coefficient of reliability (or consistency)**.<sup>5</sup>

Cronbach's alpha coefficient normally ranges between 0 and 1. However, there is no lower limit to the coefficient. The closer the Cronbach's alpha coefficient to 1.0 the greater is the internal consistency of the items in the scale.

Cronbach's alpha can be written as a function of the number of test items and the average inter-correlation among the items. The formula for calculating the standardized Cronbach's alpha is as follows:

$$\alpha = \frac{N \cdot \bar{c}}{\bar{v} + (N - 1) \cdot \bar{c}}$$

Here 'N' is equal to the number of items, c-bar is the average inter-item covariance among the items and v-bar equals the average variance. The question of reliability rises as the function of scales is stretched to encompass the realm of prediction. One of the most popular reliability statistics in use today is Cronbach's alpha (Cronbach, 1951). Cronbach's alpha determines the internal consistency or average correlation of items in a survey instrument to gauge its reliability.<sup>6</sup> Computation of alpha is based on the reliability of a test relative to other tests with same number of items and measuring the same construct of interest.<sup>7</sup> Table VI.1 present the results of reliability/item analysis.

Before the examination of the table, it is understood that item to total correlation for all job related characteristics except promotional opportunity is more than 0.30. Overall alpha value is 0.9358, which is in excellent range, indicating that all the job related items used for measuring the job satisfaction is highly consistent and hence valid for further analysis.



**Table VI.1**  
**Reliability of Item Analysis Results for Job Satisfaction**  
**Measurement Variables**

Item No	Job Satisfaction Measurement Variables	Item to Total Correlation	Alpha if Deleted
1	Salary	0.3382	0.9367
2	Promotional opportunity	0.2765	0.9381
3	Comfortable physical and work at no where	0.5955	0.9331
4	Opportunity to participate in making decisions	0.6419	0.9325
5	Support and cooperation from superiors	0.6779	0.9318
6	Importance of your job in your organization	0.6747	0.9319
7	Perquisites / allowances / other benefits	0.4299	0.9357
8	Opportunity to utilise your idea and knowledge and skills	0.6913	0.9316
9	Variety in job	0.6549	0.9322
10	Association with superiors	0.7426	0.9309
11	Support and cooperation from subordinates	0.6314	0.9326
12	Status of your organization	0.5867	0.9333
13	Security	0.4026	0.9366
14	Chance to improve the knowledge and skill	0.7322	0.9307
15	Challenges to meet in job	0.5853	0.9335
16	Freedom to work	0.6463	0.9324
17	Status of job as considered by friends / relatives	0.4990	0.9346
18	Satisfaction in your work	0.7227	0.9310
19	Job satisfaction	0.7538	0.9307
20	Expectations	0.7208	0.9312
21	Hygiene	0.7158	0.9311
22	Motivators	0.7332	0.9308
Cronbach's Alpha Reliability Coefficient		0.9358	

Source: Primary Data.

The item to total correlation value for promotional opportunity is near to 0.30 (0.2768) and by removing this item, it do not tend to increase the overall alpha value remarkably. So, all the items/variables considered are consistent and reliable. As job satisfaction data are found to be reliable, they are subjected to factor analysis to ascertain as to which factor is the determining factor of job satisfaction.

**Table VI.2**  
**Eigenvalues for Factors Underlying**  
**Job Satisfaction Measurement Variables**

Factors	Eigenvalue	% of Total Variance	Cumulative % of Total Variance
1	9.78	44.45	44.45
2	2.22	10.08	54.53
3	2.04	9.27	63.79
4	1.74	7.92	71.72
5	<b>1.36</b>	6.20	<b>77.92</b>
6	0.74	3.35	81.27
7	0.58	2.66	83.92
8	0.49	2.24	86.17
9	0.39	1.75	87.92
10	0.35	1.58	89.50
11	0.31	1.43	90.92
12	0.30	1.34	92.27
13	0.28	1.28	93.55
14	0.25	1.13	94.68
15	0.23	1.06	95.75
16	0.20	0.92	96.66
17	0.18	0.80	97.46
18	0.16	0.74	98.20
19	0.13	0.57	98.77
20	0.12	0.53	99.30
21	0.08	0.38	99.68
22	0.07	0.32	100.00

Source: Primary Data

The eigenvalues for all underlying factors obtained from factor analysis are presented in Table VI.2. As per the table, the eigenvalue is more than one for the first five factors and all these five factors together are capable of explaining to the extend of 77.92 per cent of the total variance. This indicates that employees' satisfactions are with the **five major aspects of jobs** in cooperative organization in Pondicherry. So, these five factors are extracted and used for further analysis. Figure VI.1 exhibits the extractable factors (the factors for which the eigenvalue is greater than one) graphically through scree plot.

**Figure VI.1: Scree Plot**

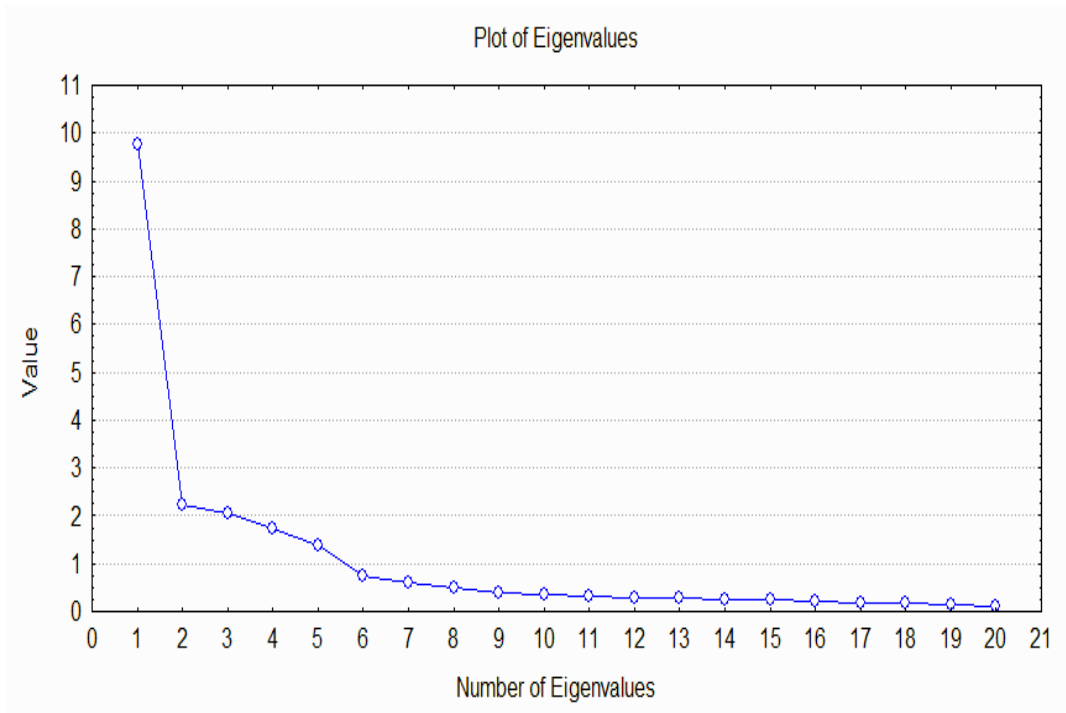


Table VI.3 reports the loadings of each job related variables with extracted factors.

Varimax rotation is the most commonly used rotation that is available. Henry Felix Kaiser in 1958<sup>8</sup> says that it is a popular scheme for orthogonal rotation which cleans up the factors as follows: "for each factor, high loadings (correlations) will result for a few variables; the rest will be near zero." Varimax rotation is often used in surveys to see how groupings of questions (items) measure the same concept.

This first involves scaling the loadings, scaling of loadings in data by dividing them by the corresponding commodity as shown below.

$$l_{ij}^{\circ} = \hat{i}_{ij} \hat{l}_{hi}$$

Here the loadings of the  $\hat{i}$  variable on the  $\hat{l}$  factor after rotation, where  $h$  is the commodity for the variable. What here to do in to find out the rotation which maximizes this commodity.

The Varimax procedure, as defined below, selects the rotation to find this maximum quantity:

$$V = \frac{1}{P} \sum_{j=1}^m \left\{ \sum_{i=1}^p (\gamma_{ij}^*)^4 - \frac{1}{P} \left( \sum_{i=1}^p (\gamma_{ij}^*)^2 \right)^2 \right\}$$

This is the sample variances of the standardized loadings for each factor, summed over the  $m$  factors. Our objective is to find a factor rotation that maximizes this variance.

Our objective here is not hypothesis testing but data interpretation. The success of the analysis can be judged by how well it helps you make your interpretation. If this does not help you then the analysis is a failure. If it does give you some insight as to the pattern of variability in the data, then we have a successful analysis.

It is apparent from the table VI.3 that item 11 (Support and cooperation from subordinates) followed by Items 5, 9, 10, 3, 4 and 6 are highly loaded with first factor (namely interpersonal relation). The loading of Items 2, 1 and 3 with second factor (namely salary and benefits) are higher when compared to that of these items with other factors. The third factor (namely working condition) is highly loaded with items 15, 8, 16 and 14. While the loadings of items 13, 7 and 12 with fourth factor job security and status are more, the fifth factor (job environment) has the maximum essence of items 21, 22 and 20 as well as that of items 19 and 18. The score for the valid five factors namely Interpersonal Relationship, Salary & Benefits, Working Condition, Job Security & Status and Job Environment are obtained by averaging the scores of the variables that are highly loaded.

**Table VI.3**  
**Factor Loadings of Actual Variables with Extracted Factors**  
**(After Varimax Rotation)**

Item No	Description of Variables	Factor				
		1	2	3	4	5
11	Support and cooperation from subordinates	<b>0.83</b>	0.05	0.22	0.15	0.09
5	Support and cooperation from superiors	<b>0.77</b>	0.14	0.14	0.13	0.28
9	Variety in job	<b>0.76</b>	-0.02	0.33	0.11	0.17
10	Association with superiors	<b>0.74</b>	0.18	0.12	0.30	0.30
3	Comfortable physical and work at no where	<b>0.71</b>	-0.13	0.30	-0.01	0.27
4	Opportunity to participate in making decisions	<b>0.69</b>	0.11	0.17	0.05	0.33
6	Importance of your job in your organization	<b>0.69</b>	0.08	0.13	0.18	0.36
2	Promotional opportunity	-0.02	<b>0.86</b>	0.17	-0.05	0.10
1	Salary	-0.01	<b>0.85</b>	0.05	0.22	0.13
3	Perquisites/allowances/other benefits	0.31	<b>0.78</b>	0.05	0.11	0.09
15	Challenges to meet in job	0.10	0.03	<b>0.93</b>	0.07	0.18
8	Opportunity to utilise your idea and knowledge and skills	0.32	0.06	<b>0.82</b>	0.03	0.24
16	Freedom to work	0.20	0.11	<b>0.82</b>	0.10	0.23
14	Chance to improve the knowledge and skill	0.20	0.17	<b>0.80</b>	0.16	0.32
13	Security	0.05	0.14	0.01	<b>0.89</b>	0.17
7	Status of job as considered by friends/relatives	0.18	0.02	0.22	<b>0.86</b>	0.07
12	Status of your organization	0.22	0.08	0.07	<b>0.79</b>	0.34
21	Hygiene	0.19	0.14	0.32	0.06	<b>0.82</b>
22	Motivators	0.32	0.08	0.17	0.15	<b>0.82</b>
20	Expectations	0.20	0.16	0.25	0.14	<b>0.81</b>
19	Job satisfaction	0.25	0.09	0.24	0.30	<b>0.76</b>
18	Satisfaction in your work	0.22	0.00	0.34	0.28	<b>0.71</b>
Explained Variance		4.53	2.30	3.65	2.64	4.02
% of Total Variance		20.58	10.46	16.57	12.02	18.28
Cumulative % of Total Variance		20.58	31.04	47.62	59.64	77.92
Factor Label		<b>Interpersonal Relationship</b>	<b>Salary and Benefits</b>	<b>Working Condition</b>	<b>Job security &amp; Status</b>	<b>Job Environment</b>

Source: Computed from the primary data.

The average scores are then compared across respondent categories by general characteristics, such as age, sex, etc. and the results are tested using t-test (two categories) and ANOVA (more than two categories) to find out whether the job satisfaction is influenced by the socio-economic characteristics or not in order to arrive at a meaningful conclusion. The respondent group is found to be “extremely dissatisfied”, “dissatisfied”, “neither dissatisfied nor satisfied”, “satisfied” and “extremely satisfied” when overall mean perception of the respondent group is “< 1.50” ; “≥ 1.50 and < 2.50” ; “≥ 2.50 and < 3.50”; “≥ 3.50 and < 4.50” ; and “≥ 4.50” respectively.

According to table VI.4, the mean scores for all the dimensions of job satisfaction measures range between 3.55 and 4.12, and hence are considered as in “**satisfied**” range”. This shows that *all employees in cooperative organization are satisfied with their job*. Thus the hypothesis H<sub>2</sub> is disproved.

**Table VI.4**  
**Level of Job Satisfaction among Employees in Cooperative Organization**

Job Satisfaction Aspects	Mean	SD
Interpersonal Relationship	3.76	0.71
Salary and Benefits	3.83	0.71
Working Condition	3.55	0.90
Job security & Status	4.12	0.78
Job Environment	3.83	0.78

It is understood from mean values that the cooperative employees are highly satisfied with “job security/job status” followed by salary & benefits and job environment. The level of job satisfaction with working condition is comparatively less.

When the level of satisfaction is compared **across respondent groups** with age up to 35 years, 36-40 years and above 40 years, table VI.5, it is found that the satisfaction with interpersonal relationship tend to increase the level

of job satisfaction with increase in the age of the respondents, as the mean score, 3.50 for the group with age up to 35 years, has increased 3.79 for 36-40 years and 3.85 for above 40 years age group. However, the differences in the group mean score is not significant ('F' value is 2.19).

**Table VI.5  
Comparison of Job Satisfaction by Age**

Job Satisfaction Aspects	Age (in Years)			F value
	Up to 35	36 – 40	Above 40	
Interpersonal Relationship	3.50 (0.61)	3.79 (0.35)	3.85 (0.77)	2.19
Salary and Benefits	3.53 (0.74)	3.47 (0.76)	3.98 (0.64)	5.58***
Working Condition	3.42 (0.70)	3.35 (0.83)	3.63 (0.97)	0.77
Job security & Status	3.60 (0.98)	3.87 (1.14)	4.33 (0.52)	9.93***
Job Environment	3.43 (0.80)	3.84 (0.64)	3.96 (0.76)	4.44***

Figures in brackets are standard deviation. \*\*\*Significant at 1% level

The satisfaction with salary and benefits is significantly higher among the employee groups with age above 40 years (Mean = 3.98) when compared to that of other two age groups (F value = 5.58,  $p < 0.01$ ). Similarly, the elderly employees, that is employees with age above 40 years have exhibited significantly higher satisfaction with job security & status (Mean = 4.33) when compared to their counterparts in other age group (F value = 9.93,  $p < 0.01$ ). On the other hand, the younger group (employee group with age up to 35 years) are less satisfied with job environment (Mean 3.43) and they differ significantly from other two higher age groups (F value = 4.44,  $p < 0.01$ ). To sum up, it is found that **employees of all age groups are satisfied with their job but their level of satisfaction with salary and benefits, job security / job status and job environment has been significantly influenced by age.**

**Table VI.6**  
**Comparison of Job Satisfaction by Gender**

Job Satisfaction Aspects	Gender		t Value
	Male	Female	
Interpersonal Relationship	3.74 (0.76)	3.90 (0.35)	0.85
Salary and Benefits	3.87 (0.72)	3.58 (0.58)	1.51
Working Condition	3.56 (0.91)	3.50 (0.85)	0.25
Job security & Status	4.19 (0.66)	3.71 (1.20)	2.33**
Job Environment	3.80 (0.80)	3.95 (0.72)	0.69

Figures in brackets are standard deviation. \*\*Significant at 5% level

The comparison of job satisfaction by gender is analysed in table VI.6. While comparing the job satisfaction of male and female employees using 't'-test, it is evident that the level of satisfaction with interpersonal relationship and job environment is slightly more among female employees than that of male group (mean scores are 3.90 and 3.95). On the other hand, the job satisfaction with salary and benefits is slightly high among male employees. The male employees are more satisfied with job security/job status and their level of satisfaction differ significantly from their female counterparts in this regard (t value = 2.33,  $p < 0.05$ ). In brief, it is clear that **out of 5 job related factors**, the level of satisfaction with 4 aspects is similar between male and female employees. So, it can be concluded that the level of satisfaction with all job related aspects except job security/job status it is **independent** of the gender of the employees in cooperative organization.



**Table VI.7**  
**Comparison of Job Satisfaction by Marital Status**

Job Satisfaction Aspects	Marital Status		t value
	Single	Married	
Interpersonal Relationship	3.79 (0.82)	3.76 (0.71)	0.15
Salary and Benefits	3.82 (0.31)	3.83 (0.74)	0.04
Working Condition	3.43 (0.89)	3.57 (0.91)	0.47
Job security & Status	4.06 (0.90)	4.13 (0.77)	0.26
Job Environment	3.65 (0.82)	3.85 (0.78)	0.76

Figures in brackets are standard deviation.

The comparison of Job satisfaction by marital status is analysed in table VI.7.

It can be seen from the table that both married and unmarried employees in cooperative organization are satisfied with interpersonal relationship, salary and benefits, working condition, job security & status and job environment. Further, the level of job satisfaction with all job related aspects between two groups is found to be similar i.e. 't'-values are insignificant. Hence, it can be concluded that **there is no relationship between marital status and job satisfaction** of the employees in the Cooperative Department in Pondicherry.

**Table VI.8**  
**Comparison of Job Satisfaction by Religion**

Job Satisfaction Aspects	Religion		t value
	Hindu	Non-Hindu	
Interpersonal Relationship	3.77 (0.73)	3.71 (0.60)	0.32
Salary and Benefits	3.80 (0.73)	3.98 (0.48)	0.84
Working Condition	3.54 (0.93)	3.64 (0.70)	0.40
Job security & Status	4.11 (0.77)	4.17 (0.89)	0.24
Job Environment	3.84 (0.82)	3.76 (0.48)	0.35

Figures in brackets are standard deviation.

The comparison of the job satisfaction by religion is analysed in table VI.8.

When the job satisfaction is analysed by considering the religion as a contributing factor, it is found that the degree of satisfaction with all the factors of the job **do not differ between employee groups** belonging to Hindu and Non-Hindu religions. The existing small difference in level of satisfaction between two religious groups can be attributed to chance and not significant as 't' values for all aspects are insignificant. Therefore it can be concluded that the job satisfaction of the cooperative employees is not influenced by the religion in Pondicherry.

The job satisfaction is analysed by considering that caste may have any influence upon the levels of job satisfaction of the employees in the cooperative department in Pondicherry and the relevant data is shown in table VI.9.

**Table VI.9**  
**Comparison of Job Satisfaction by Caste**

Job Satisfaction Aspects	Caste				F value
	Forward	OBC	SC/ST	BC	
Interpersonal Relationship	3.94 (1.27)	3.72 (0.66)	3.79 (0.68)	3.79 (0.76)	0.17
Salary and Benefits	4.27 (0.49)	3.78 (0.77)	3.73 (0.64)	3.92 (0.64)	0.97
Working Condition	3.45 (1.12)	3.56 (0.82)	3.54 (1.10)	3.58 (0.90)	0.03
Job security & Status	3.80 (1.26)	4.18 (0.66)	3.84 (1.12)	4.29 (0.50)	1.69
Job Environment	3.92 (0.89)	3.81 (0.79)	3.74 (0.89)	3.91 (0.69)	0.19

Figures in brackets are standard deviation. \*Significant at 5% level.

It can be observed from the table that the mean scores for all caste based categories except for forward caste fall in **“satisfied” range** for working condition (> 3.50 and < 4.50). The mean score, 3.45 is obtained for forward community which shows that they are neither satisfied nor dissatisfied towards working condition.

However, the F values for difference in group mean scores are insignificant for all job related aspects. This shows that the degree of satisfaction with interpersonal relationship, salary and benefits, working condition, job security/job status and job environment is **independent of the caste of the employees** in cooperative organization in Pondicherry.

The levels of job satisfaction of the employees in the cooperatives in Pondicherry is analysed by taking their educational level as graduates and post graduates. The relevant data is presented in table VI.10. The degree of satisfaction with reference to interpersonal relationship among graduates is slightly higher (3.93) when compared to the Post graduates (the mean score 3.67) and this difference is significant.

**Table VI.10**  
**Comparison of Job Satisfaction by Educational Status**

Job Satisfaction Aspects	Educational Status		t value
	Degree	Post-Graduate	
Interpersonal Relationship	3.93 (0.70)	3.67 (0.71)	1.74*
Salary and Benefits	3.86 (0.62)	3.81 (0.75)	0.36
Working Condition	3.76 (0.86)	3.44 (0.91)	1.69*
Job security & Status	4.33 (0.61)	4.00 (0.84)	2.07**
Job Environment	4.01 (0.70)	3.73 (0.82)	1.72*

Figures in brackets are standard deviation.

\*Significant at 1% level;

\*\*Significant at 5% level

Similarly, a significant difference in satisfaction with working condition ('t' value = 1.69,  $p < 0.10$ ), Job security/Job status ('t' value = 2.07,  $p < 0.05$ ) and Job environment ('t' value = 1.72,  $p < 0.10$ ) between the two educated groups is clear from the table. However, the degree of satisfaction with reference to salary and benefits do not differ between two groups. To sum up, it is found that the level of satisfaction with all aspects of job, except salary and benefits is influenced by the educational status of the cooperative employees in Pondicherry.

The levels of the employees and their levels of satisfaction are interrelated. A satisfied employee will perform well and thus reach higher positions and their position shows their involvement and love for the job. Therefore an analysis made here about the same.

**Table VI.11**  
**Comparison of Job Satisfaction by Designation**

Job Satisfaction Aspects	Designation				F value
	Junior Inspector	Senior Inspector	Cooperative Officer	Deputy Registrar	
Interpersonal Relationship	3.76 (0.61)	3.82 (0.95)	3.54 (0.57)	4.01 (0.73)	1.84
Salary and Benefits	3.90 (0.61)	3.97 (0.59)	3.53 (0.72)	3.98 (0.85)	2.58*
Working Condition	3.43 (0.87)	3.55 (1.06)	3.38 (0.79)	3.99 (0.83)	2.27*
Job security & Status	4.25 (0.60)	4.29 (0.55)	3.60 (1.03)	4.46 (0.48)	7.43**
Job Environment	3.74 (0.75)	3.89 (0.87)	3.48 (0.78)	4.36 (0.40)	6.10**

Figures in brackets are standard deviation.

\*Significant at 10% level; \*\*Significant at 5% level.

From the table it can be seen that the degree of satisfaction with reference to interpersonal relationship is same for all the groups ('F' value = 1.84 is not significant). However, the degree of satisfaction with salary and benefits (Mean = 3.53), job security/job status (Mean = 3.60) and job environment (Mean = 3.48) is less for cooperative officer. But they are significant at 10 percent and 5 percent levels.

With reference to working conditions, the degree of satisfaction is higher among Deputy Registrars when compared to that of employees in other designations. On the whole, it is found that there is a significant difference in the degree of satisfaction with all aspects of jobs. This shows that the designation/positions of the employees is one of the contributory factory

for job satisfaction and through that influencing them in their organizational commitment.

**Table VI.12**  
**Comparison of Job Satisfaction by Present Position**

Job Satisfaction Aspects	Present Position			F value
	Junior	Middle	Senior	
Interpersonal Relationship	3.62 (0.54)	3.68 (0.89)	4.04 (0.66)	3.47**
Salary and Benefits	3.50 (0.78)	3.79 (0.84)	4.29 (0.44)	4.36**
Working Condition	3.39 (0.76)	3.35 (1.02)	3.97 (0.84)	5.06***
Job security & Status	3.81 (0.98)	4.20 (0.54)	4.45 (0.51)	7.00***
Job Environment	3.59 (0.69)	4.02 (0.60)	3.96 (0.75)	10.67***

Figures in brackets are standard deviation.

\*Significant at 10% level; \*\*Significant at 5% level; \*\*\*Significant at 1% level.

According to the F test results presented in Table VI.12, the senior employees are more satisfied with interpersonal relationship (Mean = 4.04), salary and benefits (Mean = 4.29), working condition (Mean = 3.97) and Job security/job status (Mean = 4.45). The degree of satisfaction with above job related aspects among seniors *differ significantly* from that of those in junior and middle positions at 10 percent and 1 percent levels. The level of satisfaction with job environment is found to be less among employees in junior position (Mean = 3.59) ('F' value = 10.67,  $p < 0.01$ ) and this is significant. On the whole it may be concluded that there is a **significant difference in the levels** of job satisfaction among employee groups as junior, middle and senior positions in cooperative organization, Pondicherry, revealing that the positions also contribute for the job satisfaction and through that influence the organizational commitment of the employees.

**Table VI.13**  
**Comparison of Job Satisfaction by Family Size**

Job Satisfaction Aspects	Family Size (Number of members)		t value
	Up to 4	Above 4	
Interpersonal Relationship	3.75 (0.76)	3.81 (0.55)	0.42
Salary and Benefits	3.86 (0.73)	3.73 (0.62)	0.80
Working Condition	3.56 (0.92)	3.54 (0.87)	0.09
Job security & Status	4.09 (0.81)	4.22 (0.71)	0.75
Job Environment	3.81 (0.78)	3.88 (0.81)	0.39

Figures in brackets are standard deviation.

It is evident from the table that the satisfaction with all aspects of job between employee groups belonging to families with number of members up to 4 and above 4 do not vary significantly. At the same time, the mean score for both family size groups are in the satisfied range. So, it is apparent that **there is no relationship between size** of the family and the job satisfaction of cooperative employees.

As reported in the Table VI.14, the differences in the level of job satisfaction with salary and benefits, working condition, Job security/Job status and job environment between employee groups from urban and rural areas is almost zero.

**Table VI.14**  
**Comparison of Job Satisfaction by Place of Residence**

Job Satisfaction Aspects	Place of Residence		t value
	Urban	Rural	
Interpersonal Relationship	3.79 (0.65)	3.54 (1.08)	1.37
Salary and Benefits	3.82 (0.73)	3.92 (0.51)	0.22
Working Condition	3.55 (0.85)	3.54 (1.27)	0.00
Job security & Status	4.12 (0.80)	4.14 (0.70)	0.01
Job Environment	3.84 (0.74)	3.72 (1.13)	0.26

Figures in brackets are standard deviation.

\*\*Significant at 5% level.

Though satisfaction of employees from the urban background with interpersonal relationship is higher than that of their rural counterparts, the 't'- value for the difference is not significant and hence, it can be concluded that there is no relationship between place of resident and the level of job satisfaction of the employees.

With the view that the type of the cooperative organisation and the nature of the job in that organisation and the inter action of the members in different type of organisations may have some influence on the job satisfaction and the commitment for that job an attempt is made here in table VI.15.



**Table VI.15**  
**Comparison of Job Satisfaction based on the type of the Sector**

Job Satisfaction Aspects	Type of Cooperative Sector			F value
	Credit	Non-Credit	Both	
Interpersonal Relationship	3.76 (0.71)	3.79 (0.77)	3.68 (0.53)	0.15
Salary and Benefits	4.06 (0.60)	3.80 (0.74)	3.58 (0.68)	2.78*
Working Condition	3.46 (0.93)	3.61 (0.91)	3.51 (0.87)	0.25
Job security & Status	4.06 (0.78)	4.29 (0.53)	3.65 (1.19)	5.38***
Job Environment	3.80 (0.84)	3.93 (0.72)	3.53 (0.85)	1.98

Figures in brackets are standard deviation.

\*Significant at 10% level; \*\*\*Significant at 1% level

As shown in table the satisfaction of employees working in both credit and non-credit sectors with mean score for salary and benefits 3.58 is less when compared to those working in credit (Mean = 4.06) and non-credit (Mean = 3.80) and this is significant ('F' value = 2.78,  $p < 0.10$ ). The scenario is similar in the case of employees' satisfaction with job security & status (Mean = 3.65 for both credit and non-credit and it is less when compared to the working in credit and non-credit separately ('F' value 5.38,  $p < 0.01$ ). This is significant at 1 percent level. The satisfaction with interpersonal relationship, working conditions and job environment do not vary significantly based on the type of cooperative sectors.

Hence, it can be concluded that the cooperative department employees' satisfaction with salary & benefits and job security/job status vary significantly based on the type of sectors whereas their satisfaction with interpersonal relationship, working condition and job environment is same in all the sectors of cooperatives in Pondicherry.

From the evaluation and comparison of job satisfaction among cooperative employees, it may be concluded that the employees in the cooperative organization are **found to be satisfied with interpersonal relationship, salary and benefits, working condition, job security & job status and job environment**. But their level of satisfaction with most of the aspects of job related characteristics differ by age, educational status, designation, present position and the type of cooperative sectors.

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## Chapter - VII

### ORGANIZATIONAL COMMITMENT AND ITS TYPES

Organizational commitment is the psychological state that characterizes an employee's relationship with the organization and reduces the likelihood that he/she will leave, impacting on a broad range of attitudes and behaviors with organizational relevance, such as the intention to leave, turnover, punctuality, organizational citizenship behaviors, attitudes toward organizational change and performance.<sup>1</sup> The main components of the organizational commitments are the **affective** (affective attachment to the organization), **continuance** (perceived costs associated with leaving) and **normative** (feelings of obliged towards the organization) dimensions.

Organisational Commitment as viewed by Porter<sup>2</sup> and others has three major components:

- A person's strong belief in and acceptance of the organisation's goals,
- A person's willingness to exert considerable effort on behalf of the organization, and
- A person's definite desire to maintain membership of the organization.

It has also been indicated that commitment is not only a predictor of employee retention, it may also be predictor of employees' effort and performance.

Committed employees feel an attachment towards their work organizations and they share a collective view of what is good for those organizations. Such employees are loyal to the organization, feel personally on the defensive when the organization is threatened and they desire to maintain their employment relationship even when they are presented with attractive alternatives.

The attitude and attachment of the employees to the organization may be affected by different factors. Though employees have much in common, they differ in many respects. The employees differ in their personal characteristics. They have different experiences and orientations, both inside and outside the organization. Their age, educational level, marital status and experience in the organization may be different. The social life, job situations and job involvement of the employees can play an important role in shaping their attitude and attachment to the organization they serve.

Employees with a strong **affective bond** stay in the organization because they *want to* stay. Those with strong **continuance commitment** remain because they feel they *have to*. **Normatively committed** employees stay because they feel they *ought to*. In general, affectively and normatively committed individuals tend to perform their jobs in a better way, and are more productive; continuance committed workers tend to perform less well. Each component also develops independently on the basis of different antecedents and via different processes.<sup>3</sup> **Affective commitment develops** when the employee becomes involved in, recognizes the value-relevance of, and/or derives his/her identity from, an association with the organization. **Normative commitment develops** when people internalize the organizational norms through socialization, receive benefits that induce them to feel the need to reciprocate and/or to accept the terms of a psychological contract.<sup>4</sup> **Continuance commitment develops** when the employee perceives that there are no alternatives other than to remain in the organization.

Hence, here in this part of the study an attempt is made to evaluate the commitment of the employees in cooperative organization in Pondicherry considering certain demographic and occupational factors.

Organizational commitment was measured using a questionnaire with fifteen scale items of self-report at 5 point scales ranging from (1 – strongly disagree, 2 – disagree, 3 – neither agree nor disagree, 4 – agree and 5 –

strongly agree), for assessing normative, continuance, emotional, high sacrifice, affective commitment, etc. Most of the items used here are adopted by the researcher from a previous study (namely Allen & Meyer, 1990; Meyer et al., 1993). The level of agreement of a respondent group is ascertained based on the mean score. The level of opinion of the respondent group is considered to be in the “disagree”, “neutral (“neither agree nor disagree”) and “agree” range if the mean score is “ $< 2.50$ ”; “ $\geq 2.50$  and  $< 3.50$ ” and “ $> 3.50$ ” respectively. To find out the reliability of the items in the scale measuring organizational commitment, the data were subjected to item analysis by using Cronbach alpha coefficient.

The following is the rules used for measuring the Organisational Commitment: “ $> .9$  = Excellent,  $> .8$  = Good,  $> .7$  = Acceptable,  $> .6$  = Questionable,  $> .5$  = Poor, and  $< .5$  = Unacceptable” for ascertaining the dimensions of the organizational commitment. The data were submitted to Principal component/factor analysis with Varimax rotation. After identifying the organizational commitment dimensions, ANOVA and t-tests were used to ascertain whether there were any significant differences in each aspect (dimension) of organizational commitment due to age, sex, education, designation, marital status, religion, caste, family size, etc.

The table VII.1 presents the results of reliability/item analysis for items in the scale measuring organizational commitment. The value in the column labeled “Item to total correlation” are the correlations between each item and the total score of all items. To confirm that the measurement scale is reliable, all the items in the scale should correlate with the total score. Item’s correlation to total should be around 0.30. Under this back ground the employee’s responses for the questions were processed and the processed data is portrayed in table VII.1 for analysis.

**Table VII.1**  
**Item Analysis Results for Scale Items Measuring**  
**Organizational Commitment**

Item No	Description of Scale Items	Item to Total Correlation	Alpha if Deleted
1	I feel proud to tell others that I am part of the organisation	0.5173	0.7960
2	I speak alternatively about my organization to my friends relatives, etc	0.3901	0.8029
3	I stand encouraging to a known person who like to join in the organization	0.5291	0.7923
4	I feel satisfied in participating the organizational activities other than my personal works	0.6566	0.7849
5	I don't like others to speak wrong about my organization	0.6089	0.7850
6	Whether you feel going out of the organization when you get better job	0.2692	0.8126
7	Or else you feel this is the best organization to work for	0.3785	0.8036
8	I am very much attached to my organization emotionally	0.3402	0.8060
9	I wanted to be a person of integrity to my organization	0.3055	0.8080
10	I talk and feel that all problem in the organization are my problems	0.5062	0.7940
11	I pay attention about the facts of my organization	0.5525	0.7918
12	If I am offered high pay in other organization, then I will quit this organization	0.2634	0.8133
13	I don't agree always with policies in this organization	0.3318	0.8062
14	Other than my organizational works, I have other activities more important	0.4153	0.8009
15	I find that all my values and organisation values are very similar	0.3488	0.8054
<b>Cronbach's Alpha Reliability Coefficient</b>		<b>0.8113</b>	

Source: Primary Data.

Source: R.T. Mowday, R.M. Steers and L.W. Porter, The Measure of Organisational Commitment, "Journal of Vocational Behaviour", Vol.14, 1979, P.288.

From the observation of the table, it is found that the item to total correlation for items 6 and 12, are near to 0.30 while it is more than 0.30 for all the other items.

The “Alpha if deleted” for an item in the scale indicate as to what would be the overall alpha if that item is not in the scale. The “alpha if deleted” value for any item will become higher than the overall alpha, and in that case deleting this item will improve overall alpha. In the present case, the overall Cronbach’s alpha coefficient being 0.8113 it is in ‘Good’ range and hence reliable.

Alpha value for every item in the scale is also around this value. Moreover, removing items 6 and 12, for which the item to total correlation is below 0.30, would not increase the overall alpha substantially. Hence, from the reliability of the items used it may be concluded that *all the 15 items in the scale* measuring organizational commitment *have good internal consistency* and the data obtained from the respondents against these items are eligible for further analysis.

The underlying characteristics of organizational commitment are evaluated by submitting the data to **principal component analysis** method of **factor analysis** along with Varimax rotation and the results of the analysis are shown in Tables VII.2 and VII.3.

**Table VII.2**  
**Eigenvalues for Factors Underlying Organizational Commitment**

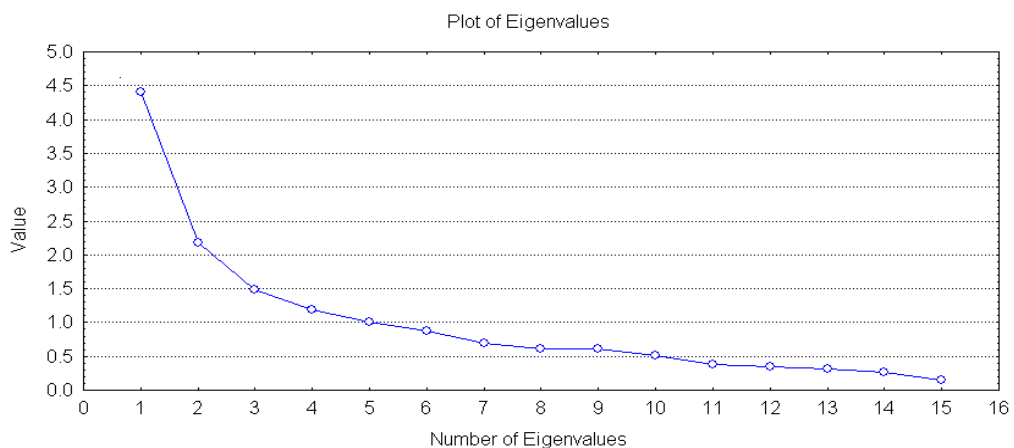
Factors	Eigenvalue	% of Total Variance	Cumulative % of Total Variance
1	4.40	29.33	29.33
2	2.18	14.52	43.86
3	1.48	9.90	53.75
4	1.19	7.95	61.71
<b>5</b>	<b>1.01</b>	6.75	<b>68.45</b>
6	0.87	5.78	74.23
7	0.70	4.65	78.89
8	0.61	4.07	82.96
9	0.60	4.02	86.98
10	0.50	3.36	90.34
11	0.38	2.52	92.86
12	0.35	2.30	95.16
13	0.31	2.08	97.24
14	0.26	1.74	98.98
15	0.15	1.02	100.00

Source: Primary Data.



The eigenvalue is the amount of variance explained by each factor in the original data. The number of factors extracted by the factor analysis is equal to the number of items in the scale. However, only the factors with eigenvalue of one and above are considered to be the valid factors as all the factors with eigenvalue of one and above together possess maximum of extract obtained by distillation of actual data. From the table, it can be seen that the eigenvalues for first five factors are above one, and all these five factors together could explain 68.45 per cent of the total variance in the original data. So, **these five factors primarily constitute the organizational commitment of employees** in the cooperatives in Pondicherry. The screen plot in Figure VII.1 shows the extractable factors (the factors with eigenvalue greater than one) through scree plot.

**Figure VII.1: Scree Plot**



After obtaining factor loadings, the research should examine whether the factor loading matrix possesses simple structure or not. If a factor loading matrix has a simple structure, it is easy to make interpretation about the factors. If there is no simple structure, then the factor axes should be rotated to an angle so that the factor loadings are revised to have a simple structure which will simplify the process of interpretation of factors. i.e. the items in table VII.1 are rearranged according to the factor loadings of the employees or opinions of the employees according to their preferences based on their commitment. The commonalities of each variable before and after rotation will be the same. The data so processed is portrayed in Table VII.3.

**Table VII.3**  
**Factor Loadings of Items with Extracted Factors (After Varimax Rotation)**

Item No	Description of Scale Items	Factor				
		1	2	3	4	5
9	I wanted to be a person of integrity to my organization	<b>0.85</b>	-0.15	0.10	0.08	0.04
4	I feel satisfied in participating the organizational activities other than my personal works	<b>0.68</b>	0.24	0.25	0.07	0.40
11	I pay attention about the facts of my organization	<b>0.64</b>	0.38	0.05	0.10	0.32
12	If I am offered high pay in other organization, then I will quit this organization	-0.02	<b>0.92</b>	-0.04	0.03	0.07
6	Whether you feel going out of the organization when you get better job	0.07	<b>0.90</b>	-0.04	0.07	-0.01
8	I am very much attached to my organization emotionally	0.16	-0.20	<b>0.83</b>	0.07	0.05
7	Or else you feel this is the best organization to work for	0.14	-0.01	<b>0.82</b>	-0.09	0.11
3	I stand encouraging to a known person who like to join in the organization	0.00	0.11	<b>0.77</b>	0.27	0.22
15	Both the values (mine and organization ) are similar	0.33	-0.07	0.02	<b>0.77</b>	0.07
13	I don't agree always with policies in this organization	0.33	-0.07	0.02	<b>0.77</b>	0.07
14	Other than my organizational works, I have other activities more important	-0.07	0.27	0.03	<b>0.62</b>	0.19
2	I speak alternatively about my organization to my friends relatives, etc	-0.10	0.23	0.37	<b>0.62</b>	0.11
10	I talk and feel that all problem in the organization are my problems	0.05	0.12	0.09	-0.08	<b>0.73</b>
5	I don't like others to speak wrong about my organization	0.22	-0.09	0.09	0.27	<b>0.72</b>
1	I feel proud of my department	0.21	0.30	0.29	0.07	<b>0.61</b>
<b>Explained Variance</b>		<b>1.93</b>	<b>2.19</b>	<b>2.30</b>	<b>1.60</b>	<b>2.25</b>
<b>% of Total Variance</b>		<b>12.86</b>	<b>14.62</b>	<b>15.32</b>	<b>10.67</b>	<b>14.99</b>
<b>Cumulative % of Total Variance</b>		<b>12.86</b>	<b>27.48</b>	<b>42.80</b>	<b>53.46</b>	<b>68.45</b>
<b>Factor Label</b>		<b>Normative commitment</b>	<b>Continuance Commitment</b>	<b>Emotional Commitment</b>	<b>High Sacrifice Commitment</b>	<b>Affective Commitment</b>

Source: Computed from the Primary Data.

The observation of the table shows the loadings of the scale items with extracted factors. It is evident that the **first factor** (I wanted to be a person of integrity to my organization) is highly loaded with Item 9, while **second factor** (If I am offered high pay in other organization, I will quit this organization) with item 12 and 6 (Whether do you feel going out of the organization when you get better job), **third factor** with Item 8 (I am very much attached to my organization emotionally) and 7 (Or else you feel this is the best organization to work for), **fourth factor** with Item 15 (Both the values mine and organization are similar) and 13 (I don't agree always with policies in this organization) and finally **fifth factor** with Item 10 (I talk and feel that all the problems in the organization are my problems) and 5 (I don't like others to speak wrong about my organization) have high loadings. Based on the items' highest loadings, **first, second, third, fourth and fifth factors** are labelled as "**Normative commitment**", "**Continuance commitment**", "**Emotional commitment**", "**High sacrifice commitment**" and "**Affective commitment**" respectively. The scores of these items under each factor are averaged and the average scores are compared across respondent categories by general characteristics, such as age, sex, etc. using t-test and (two categories) F value (ANOVA more than two categories).

The differences in the organizational commitment among age groups are compared by one way ANOVA and the results of the analysis are shown in Table VII.4.

**Table VII.4**  
**Organizational Commitment – Comparison of Opinion by Age**

Organization Commitment Dimensions	Age (in Years)			F value
	Up to 35	36 – 40	Above 40	
Normative commitment	3.64 (0.96)	4.13 (0.57)	4.07 (0.79)	2.69*
Continuance Commitment	3.92 (0.73)	3.95 (1.21)	3.29 (1.26)	3.53**
Emotional Commitment	3.35 (0.90)	3.47 (1.25)	3.67 (0.89)	1.16
High Sacrifice Commitment	3.22 (0.46)	3.28 (0.89)	3.36 (0.71)	0.39
Affective Commitment	3.33 (0.92)	3.67 (1.10)	3.82 (0.86)	2.69*

Figures in brackets are standard deviation.

\*Significant at 10% level; \*\*Significant at 5% level.

The mean scores for respondents with age up to 35 years are in the “neutral” range for emotional, high sacrifice and affective commitment while it is in the “agree” range for normative and continuance commitment. Among 36-40 years age group, the majority of the respondents are with normative, continuance and affective commitment, whereas some sector of the employees in the same age group have neither agreed nor disagreed with emotional and high-sacrifice commitment. On the other hand, the respondents belonging to the group with age above 40 years are with normative, emotional and affective commitment. The opinions of the employees differ among age groups in respect of Normative (F value = 2.69,  $p < 0.10$ ), Continuance (F value = 3.53,  $p < 0.05$ ) and Affective (F value = 2.69,  $p < 0.10$ ) commitments, indicating that **organizational commitment is associated with the age** of the employees in the cooperatives in Pondicherry.

**Table VII.5**  
**Organizational Commitment – Comparison of Opinion by Marital Status**

Organization Commitment Dimensions	Marital Status		t value
	Single	Married	
Normative commitment	3.58 (1.35)	4.02 (0.74)	1.71*
Continuance Commitment	4.00 (1.14)	3.44 (1.18)	1.51
Emotional Commitment	4.12 (0.62)	3.51 (0.95)	2.08**
High Sacrifice Commitment	3.52 (0.68)	3.29 (0.68)	1.07
Affective Commitment	3.79 (0.76)	3.68 (0.93)	0.35

Figures in brackets are standard deviation.  
\*Significant at 10% level; \*\*Significant at 5% level.

According to table the level of agreement with the normative commitment is significantly more among married employees (Mean = 4.02) compared to that of female counterparts (Mean = 3.58) (t-value = 1.71,  $p < 0.10$ ). The emotional commitment among unmarried group (Mean = 4.12) is found to be significantly higher than that of married group (Mean = 3.51) (t-value = 2.08). To sum up, normative commitment is more (4.02) among the married employees than the unmarried employees and the emotional commitment is more (4.12) among the unmarried employees than among the married employees and the differences among the employees with reference to normative and emotional commitment are significant.

**Table VII.6**  
**Organizational Commitment – Comparison of Opinion by Religion**

Organization Commitment Dimensions	Religion		t value
	Hindu	Non-Hindu	
Normative commitment	3.91 (0.85)	4.36 (0.48)	1.89*
Continuance Commitment	3.47 (1.21)	3.64 (1.03)	0.50
Emotional Commitment	3.57 (0.94)	3.62 (0.90)	0.18
High Sacrifice Commitment	3.30 (0.68)	3.45 (0.69)	0.77
Affective Commitment	3.68 (0.92)	3.79 (0.88)	0.40

Figures in brackets are standard deviation.

\*Significant at 10% level.

From the comparison of opinion between respondent groups by religion, it can be seen from the results in the Table VII.6, the normative commitment among non-Hindu group (Mean = 4.36) is marginally more than that of those in the Hindu group (Mean = 3.91) (t-value = 1.89,  $p < 0.10$ ). At the same time, continuance, emotional, high sacrifice and affective commitments among employees in cooperative sector is independent of the religion that they belong to.

**Table VII.7**  
**Organizational Commitment–Comparison of Opinion by**  
**Educational Status**

Organization Commitment Dimensions	Educational Status		t value
	Degree	Post-Graduate	
Normative commitment	3.94 (0.94)	4.00 (0.76)	0.35
Continuance Commitment	3.03 (1.25)	3.74 (1.07)	3.05***
Emotional Commitment	3.78 (0.73)	3.47 (1.01)	1.61
High Sacrifice Commitment	3.28 (0.74)	3.34 (0.65)	0.43
Affective Commitment	3.85 (0.83)	3.61 (0.95)	1.28

Figures in brackets are standard deviation.

\*\*\*Significant at 1% level.

When the level of organizational commitments is compared between respondent groups by educational status, the results presented in the Table VII.7 shows that normative commitment, emotional commitment, high sacrifice commitment and affective commitment are **independent of the educational status of the employees** in cooperative organization. At the same time, continuance commitment differ significantly between employee group with graduation and post-graduation ( $t = 3.05$ ,  $p < 0.01$ ). While the graduates are not sure about quitting the job, post-graduates have revealed that they would quit the job if they get better job than this.

**Table VII.8**  
**Organizational Commitment – Comparison of Opinion by Designation**

Organization Commitment Dimensions	Designation				F value
	Junior Inspector	Senior Inspector	Cooperative Officer	Deputy Registrar	
Normative commitment	3.75 (0.73)	4.21 (0.72)	3.69 (0.91)	4.46 (0.70)	5.65***
Continuance Commitment	3.45 (1.22)	3.50 (1.33)	3.98 (0.75)	2.88 (1.22)	3.85***
Emotional Commitment	3.59 (0.68)	3.55 (1.18)	3.26 (0.96)	4.02 (0.83)	2.78**
High Sacrifice Commitment	3.23 (0.67)	3.36 (0.66)	3.24 (0.48)	3.50 (0.90)	0.82
Affective Commitment	3.65 (0.77)	3.95 (0.94)	3.31 (0.93)	4.03 (0.89)	3.57**

Figures in brackets are standard deviation.  
\*\*Significant at 5% level; \*\*\*Significant at 1% level.

The different aspects of organizational commitment are compared among respondent groups with the designations of the employees in the organization and the results are presented in the Table VII.8. From the examination of the table, it is clear that the normative commitment is more among all the categories/designated groups of employees, but it is more among deputy registrars (Mean = 4.46) followed by senior inspectors (Mean = 4.21), and these two employee groups differ in their level of normative commitment from that of the other two groups (F value = 5.65,  $p < 0.01$ ).

The continuance commitment is more among deputy registrars followed by cooperative officers, whereas it is less among senior and junior inspectors. Somewhat similar difference among employee groups by designation can be found in respect of emotional commitment and affective commitment. The, F values for continuance (F = 3.85,  $p < 0.01$ ), emotional (F = 2.78,  $p < 0.05$ ) and affective (F = 3.57,  $p < 0.05$ ) commitments being significant, indicates that these groups commitments are related to the job status/designation of the employees in the cooperative organizations. As far as the high sacrifice commitment is concerned, it is found to be similar among all designated groups.

This shows that the organizational commitment is more among the Deputy Registrars and Cooperative Officers/Co-op. Sub-Registrar than the Junior or Senior Inspectors of Cooperatives in Pondicherry.

**Table VII.9**  
**Organizational Commitment – Comparison of Opinion by Present Position**

Organization Commitment Dimensions	Present Position				F value
	Junior	Middle	Senior	Top	
Normative commitment	3.77 (0.83)	3.98 (0.67)	4.18 (0.95)	4.60 (0.55)	2.45*
Continuance Commitment	4.00 (0.91)	3.40 (1.24)	2.87 (1.19)	3.10 (1.24)	6.04***
Emotional Commitment	3.44 (0.93)	3.39 (0.94)	3.91 (0.87)	4.20 (0.73)	2.72**
High Sacrifice Commitment	3.26 (0.55)	3.31 (0.64)	3.42 (0.86)	3.25 (0.95)	0.32
Affective Commitment	3.45 (0.92)	3.81 (0.84)	3.95 (0.88)	3.73 (1.16)	1.88

Figures in brackets are standard deviation.

\*Significant at 10% level; \*\*Significant at 5% level; \*\*\*Significant at 1% level.

From the perusal of the table it is evident that the employees in the top and senior positions tend to have more normative commitment compared to the employees in the junior and middle levels. The level of normative commitment differ significantly among employee groups with different (job) positions (F value = 2.45,  $p < 0.10$ ). While, Junior level employee don't mind quitting the job if they get better position in other organizations (Mean = 4.00, agree range), the employees in the middle (Mean = 3.40), senior (Mean = 2.87) and top (Mean = 3.10) position are neutral with continuance commitment. The difference in continuance commitment across respondent groups with reference to job position is significant at 1 per cent level (F value = 6.04,  $p < 0.01$ ). There is a significant difference in the emotional commitment among employee groups with different positions in the present job (F value = 2.72,  $p < 0.05$ ). At the same time, the level of high sacrifice commitment and affective commitment is independent of the present position of the employees in cooperative organizations in the Union Territory of



Pondicherry (F values are insignificant). To sum up the organizational commitment among the Top and Senior level employees are more as per this analysis where as the junior level employees are not much committed and if chance is available they may quit the job and the organization. The middle and top level employees are neutral towards continuing in the organization. There is no relationship between the high sacrifice commitment of the employees and their present position in the cooperative organization in the Union Territory of Pondicherry.

It can be observed from Table VII.10 that between respondent groups with family size up to 4 members and above 4 both the groups have normative commitment (Mean = 3.98 and 3.96), is in 'agree' range and the level of normative commitment do not differ significantly between them. The very similar pattern can be seen in respect of affective commitment also.

**Table VII.10  
Organizational Commitment – Comparison of Opinion by Family Size**

Organization Commitment Dimensions	Family Size (Number of members)		t value
	Up to 4	Above 4	
Normative commitment	3.98 (0.82)	3.96 (0.86)	0.09
Continuance Commitment	3.48 (1.18)	3.54 (1.22)	0.21
Emotional Commitment	3.48 (0.98)	3.86 (0.74)	1.80*
High Sacrifice Commitment	3.27 (0.65)	3.46 (0.74)	1.26
Affective Commitment	3.68 (0.96)	3.74 (0.74)	0.31

Figures in brackets are standard deviation.

\*Significant at 10% level.

However, the status of continuance commitment, which is in the “neutral” range and “agree” range for the groups belonging to families with number of members up to 4 and above 4 respectively, do not differ significantly. With regard to High sacrifice commitment, it is neither high nor less among the respondents in both family size groups. At the same time, the employee group from the families above 4 members tend to have emotional commitments and the level of such commitment among them is marginally higher than that those from families with members up to four ( $t=1.80, p < 0.10$ ). To sum up, it is found that except emotional commitment all other dimensions of organizational commitment are independent of the family size of the employees in cooperatives in the Union Territory of Pondicherry. i.e. except the emotional commitment the size of the family do not influence the employees to have organizational commitment.

### **Factors Influencing Organizational Commitment**

In this chapter the cooperative employees’ personal, job oriented, family related and job satisfaction factors as well as HRM practice factors that affect organizational commitment are evaluated using multiple regression analysis. The unique relationship of organizational commitment of the employees with their personal, job oriented, and family related, job satisfaction and attitude towards HRM practices are focused here.

The multiple regression technique is a statistical technique used for understanding the relationship between two or more variables. Multiple regression analysis involves two variables i.e. one independent variable and a few other independent variables and additional explanatory variables. Multiple regression analysis typically uses a single independent variable and several other explanatory variables. To get the best regression model, **stepwise regression** approach is adopted. In the stepwise regression analysis, the least significant independent variables are dropped and the regressions are re run till the model with highest adjusted  $R^2$  value is obtained. The multiple regression for all facets of organizational commitment, namely Normative

commitment, Continuance commitment, Emotional commitment, High sacrifice commitment and Affective commitment were run and the results of the analysis are presented in the tables from VII.11 to VII.15 and interpreted there under.

**Table VII.11**  
**Results of Regression Showing Effects of Socio-Economic,**  
**Job Satisfaction and HRM Practices on Normative Commitment**

Independent Variables	Regression Model					
	1		2		3	
	Coefficient	t-value	Coefficient	t-value	Coefficient	t-value
Intercept	-0.5126	-0.39	-0.2484	-0.31	-0.0888	-0.11
Age	0.1257	0.84				
Sex	0.1388	0.57				
Marital Status	0.3955	1.46	0.4777**	2.03	0.4802**	2.04
Religion	0.5549**	2.33	0.5322***	2.60	0.5199***	2.55
Caste	-0.0025	-0.03				
Education	0.0885	0.50				
Designation	0.2675**	2.46	0.2479***	2.72	0.2542***	2.79
Present Position	-0.2478	-1.29	-0.2132	-1.62	-0.1876	-1.45
Family Size	0.0955	0.52				
Place of Residence	0.3555	1.44	0.3770*	1.69	0.3728*	1.67
Interpersonal Relationship	0.0014	0.01				
Salary and Benefits	0.1121	0.74	0.1178	1.10		
Working Condition	-0.0187	-0.17				
Job security & Status	0.1905	1.59	0.1984*	1.86	0.2397**	2.40
Job Environment	-0.0611	-0.53				
Recruitment Practices	-0.0557	-0.46				
Recognition / Rewards	-0.0281	-0.23				
Performance Appraisal	0.3887**	2.42	0.3643***	2.85	0.3707***	2.90
Training / Development	-0.1103	-1.09	-0.1407	-1.57	-0.1264	-1.43
R <sup>2</sup>	0.3573		0.3391		0.3307	
Adjusted R <sup>2</sup>	0.2120		0.2758		0.2743	
F Value	2.45**		5.36***		5.87***	

Source: Primary Data.

\*Significant at 10% level; \*\*Significant at 5% level; \*\*\*Significant at 1% level.

The table shows the results of three regression models. The first equation is run with all selected independent variables, while second and third regressions are run with most important independent variables after dropping least significant independent variables in first and second equations step by step. The stepwise approach is adopted to get the model best fit. The model of best fit is identified based on the adjusted  $R^2$  value. A regression model with highest  $R^2$  value is considered to be the best fitted model and the independent variables in this model are the important factors that have unique effect (i.e. determining power) on dependent variable.

The observation of the results in the first equation indicates that all the three regression models are fitted significantly. While statistical significance of the first model is at 5 per cent level ( $F = 2.45$ ,  $p < 0.05$ ) and the second ( $F = 5.36$ ,  $p < 0.01$ ) and third ( $F = 5.87$ ,  $p < 0.01$ ) models are at 1 per cent level. The first model with all selected independent variable explains only to the extend of 35.73 per cent before adjusting and 21.20 per cent after adjusting for degrees of freedom ( $R^2 = 0.3573$  & Adjusted  $R^2 = 0.2120$ ). In the first model, from the coefficient of individual independent variable, it is apparent that **“religion”, “designation” and “performance appraisal” have significant positive influence on “normative commitment”** of the employees in cooperative organization. There are many independent variables with insignificant coefficient in the first model. Therefore, the second model, after dropping independent variables with very least estimated coefficients, is re run.

In the second model, there has been a slight improvement in the adjusted  $R^2$  value compared to that of first model. That is the second model with the nine independent variables explains to the extend of 27.58 per cent after adjusting for degrees of freedom, it is higher than that explained by 20 independent variables in the first model. So, compared to first model, second model is seen to be the model of best fit. However, in the second model, the estimated coefficients for “present position”, “salary and benefits” and

“training/development” are still insignificant. Hence, another model after dropping “salary and benefits” is run to check as to whether there would be any improvement in the overall fit of the model. It is clear from the results of the third model that the adjusted  $R^2$  value of 0.274 is almost equal to that of second model. In the absence of job satisfaction with ‘salary and benefits’ the third model could explain almost as much as second model could explain. Therefore, the second model is considered as the model of best fit for final analysis.

In the selected model, the coefficients of marital status ( $\beta=0.4802$ ,  $t = 2.04$ ,  $p < 0.05$ ), religion ( $\beta=0.5199$ ,  $t = 2.55$ ,  $p < 0.01$ ), designation ( $\beta=0.2542$ ,  $t = 2.79$ ,  $p < 0.01$ ), place of residence ( $\beta=0.3728$ ,  $t=1.67$ ,  $p < 0.10$ ), job security & job status ( $\beta= 0.2397$ ,  $t = 2.40$ ,  $p < 0.05$ ) and performance appraisal ( $\beta= 0.3707$ ,  $t = 2.90$ ,  $p < 0.01$ ) are significant and positive. The estimated coefficients of two other variables, namely present position and training/development is insignificant and negative, but both these variable play negligible role in explaining normative commitment among the cooperative employees.

**From the entire results, it is found that the marital status, religion, designation, place of residence, satisfaction with job security & job status and HRM practice in performance appraisal tend to significantly increase the “normative commitment of employees in the cooperative organization in Pondicherry.**

Table VII.12 shows regression results for “**continuance commitment**”. According to the table, the first, second and third models are able to explain to the extend of 13.32 per cent (Adjusted  $R^2 = 0.1332$ ), 20.80 per cent (Adjusted  $R^2 = 0.2080$ ) and 20.17 per cent (Adjusted  $R^2 = 0.2017$ ) of explanatory variables. At the same time, out of these three models, the adjusted  $R^2$  value of second model is higher than that of first and third models. This indicates that second model is the best fitted one and this model is appropriate for final analysis.

In the second model, the estimated coefficients are significant and positive for education ( $\beta=0.4807$ ,  $t = 2.07$ ,  $p < 0.05$ ), place of residence ( $\beta=0.6453$ ,  $t = 1.93$ ,  $p < 0.10$ ) and the coefficient for present position is negative and significant ( $\beta=-0.5530$ ,  $t = -4.00$ ,  $p < 0.01$ . i.e. it may cause a decline in the organizational commitment especially of continue commitment).

**Table VII.12**  
**Results of Regression Showing Effect of Socio-Economic, Job Satisfaction and HRM Practices on Continuance Commitment**

Independent Variables	Regression Model					
	1		2		3	
	Coefficient	t-value	Coefficient	t-value	Coefficient	t-value
Intercept	1.4576	0.74	1.3473	1.15	1.4286	1.22
Age	0.0769	0.34				
Sex	-0.4748	-1.31	-0.4178	-1.39	-0.3987	-1.32
Marital Status	-0.1022	-0.25				
Religion	0.0460	0.13				
Caste	0.1969	1.38	0.1628	1.34		
Education	0.3850	1.45	0.4807**	2.07	0.5103**	2.20
Designation	0.1958	1.20				
Present Position	-0.8497***	-2.96	-0.5530***	-4.00	-0.4989	-3.76
Family Size	-0.0724	-0.26				
Place of Residence	0.5499	1.48	0.6453*	1.93	0.6877**	2.06
Interpersonal Relationship	0.0127	0.06				
Salary and Benefits	0.1434	0.63				
Working Condition	-0.1625	-0.99				
Job security & Status	0.0458	0.25				
Job Environment	0.1393	0.80				
Recruitment Practices	0.2373	1.29	0.2042	1.44	0.2212	1.56
Recognition / Rewards	-0.1427	-0.79				
Performance Appraisal	-0.0748	-0.31				
Training / Development	0.1106	0.73				
R <sup>2</sup>	0.2931		0.2541		0.2404	
Adjusted R <sup>2</sup>	0.1332		0.2080		0.2017	
F Value	1.83**		5.51***		6.20***	

Source: Primary Data

\*Significant at 10% level; \*\*Significant at 5% level; \*\*\*Significant at 1% level.

The variables like sex, caste and recruitment practices, though not significant contributory, play a marginal role in explaining the dependent variables when others are held constant.

**From the above results, it is found that the continuance commitment tend to be higher among cooperative employees with higher education, residing in rural areas working in lower position in cooperative organization.**

Table VII.13 pertaining to emotional commitment reports the multiple regression results of the cooperative employees in Pondicherry. As per the table, the equations for all the three models are highly significant at 1 per cent level (F values are significant). The explaining capacity after adjusting for degrees of freedom is 42.32 per cent, 48.04 per cent and 47.17 per cent for first, second and third models respectively. From the comparison of adjusted  $R^2$  values, it is evident that **second model is the best fitted** one and eligible for making final analysis.

In the second model, the estimated coefficients of all explanatory variables except "recruitment practices" are significant being between one and ten per cent. The sign of the significant coefficient is negative for marital status, place of residence whereas it is positive for family size, working condition, job security & job status and performance appraisal. This indicates, that marital status, place of residence may cause decline in the continuance commitment in course of time.

As was done for other components of organizational commitment, the step wise multiple regression is run for the emotional commitment and that in portrayed in table VII.13

**Table VII.13**  
**Results of Regression Showing Effect of Socio-Economic, Job Satisfaction**  
**and HRM Practices on Emotional Commitment**

Independent Variables	Regression Model					
	1		2		3	
	Coefficient	t-value	Coefficient	t-value	Coefficient	t-value
Intercept	1.5261	1.21	1.7036**	2.15	1.0844	1.55
Age	-0.0774	-0.53				
Sex	0.0491	0.21				
Marital Status	-0.9174***	-3.51	-0.8538***	-3.83	-0.7641***	-3.51
Religion	-0.0092	-0.04				
Caste	0.0293	0.32				
Education	0.0694	0.41				
Designation	-0.0577	-0.55				
Present Position	0.1616	0.87				
Family Size	0.3005	1.67	0.2557*	1.66	0.2725*	1.76
Place of Residence	-0.4433	-1.85	-0.4299**	-2.01	-0.3581*	-1.70
Interpersonal Relationship	-0.1271	-0.93				
Salary and Benefits	0.0685	0.47				
Working Condition	0.4035***	3.82	0.3993***	5.15	0.3999***	5.12
Job security & Status	0.3389***	2.92	0.3395***	3.64	0.3588***	3.85
Job Environment	0.0129	0.12				
Recruitment Practices	-0.1980*	-1.67	-0.1712	-1.62		
Recognition / Rewards	-0.0157	-0.13				
Performance Appraisal	0.4152***	2.67	0.4048***	3.12	0.3002***	2.65
Training / Development	0.0495	0.50				
R <sup>2</sup>	0.5296		0.5157		0.5025	
Adjusted R <sup>2</sup>	0.4232		0.4804		0.4717	
F Value	4.98***		14.60***		16.33***	

Source: Primary Data.

\*Significant at 10% level; \*\*Significant at 5% level; \*\*\*Significant at 1% level.



The analysis of the table shows, that even though the equation fitted between the dependent and independent variables are good fit, the first equation is able to determine only upto 42.32 per cent, and hence the second equation is run, which is capable of determining upto 48.04 percent (adjusted  $R^2$  value is higher). When the third equation is run, that is able to explain/determine to a lesser level than the second model i.e. only upto 47.17 percent. Therefore the second equation is the best fit here. When it is analysed further, it shows that the family size, working condition, job security and status, and performance appraisal systems are positively influencing the organizational commitment and which are significant at 10 percent to 1 percent.

Where as marital status, place of residence and recruitment practice are significant but negative, i.e. the employees are not happy with these factors and hence may cause decline in the organizational commitment.

Table VII.14 represents the regression results for **“high sacrifice commitment”** of cooperative employees in Pondicherry. The observation of the table shows that the first regression model with 12.44 per cent of the explanatory capacity after adjusting for degrees of freedom significant at 5 per cent level (Adjusted  $R^2=0.1244$ ). The second and third models, with explanatory capacity of 18.98 per cent and 18.70 per cent after adjusting for degrees of freedom (Adjusted  $R^2 = 0.1898$ ) for third Adjusted  $R^2 = 0.1870$  are significant at 1 per cent level.

Relative to first model, the second and third model are better. Between the second and third model, there is no much difference. Except the facts that in the second equation five factors like, present position place of residence, job environment, performance appraisal and training and development are significantly contributing to the high sacrifice commitment. But in both the equations the training and development are causing for decline the high sacrifice commitment. Since the second equation is able to explain more of the relationship it is accepted for analysis.

**Table VII.14**  
**Results of Regression Showing Effect of Socio-Economic, Job Satisfaction**  
**and HRM Practices on High Sacrifice Commitment**

Independent Variables	Regression Model					
	1		2		3	
	Coefficient	t-value	Coefficient	t-value	Coefficient	t-value
Intercept	1.7490	1.55	2.0618***	2.92	2.2377***	3.24
Age	-0.0440	-0.34				
Sex	0.0868	0.42				
Marital Status	-0.3609	-1.55	-0.3063	-1.48	-0.3241	-1.57
Religion	0.0509	0.25				
Caste	0.1031	1.25	0.1054	1.46	0.1026	1.42
Education	0.0784	0.51				
Designation	0.0857	0.91	0.1262	1.56	0.1120	1.40
Present Position	-0.1128	-0.68	-0.1943*	-1.66	-0.1515	-1.37
Family Size	0.2252	1.41	0.1983	1.35	0.2167	1.48
Place of Residence	-0.3583*	-1.67	-0.3378*	-1.73	-0.3142	-1.62
Interpersonal Relationship	0.0284	0.23				
Salary and Benefits	0.0196	0.15				
Working Condition	-0.0211	-0.22				
Job security & Status	0.0839	0.81	0.1010	1.15		
Job Environment	0.2451**	2.45	0.2373***	2.64	0.2521***	2.83
Recruitment Practices	-0.1055	-1.00				
Recognition / Rewards	0.0299	0.29				
Performance Appraisal	0.3847***	2.77	0.3051***	2.72	0.3329***	3.04
Training / Development	-0.2130**	-2.43	-0.1994**	-2.59	-0.1920**	-2.50
R <sup>2</sup>	0.2859		0.2684		0.2581	
Adjusted R <sup>2</sup>	0.1244		0.1898		0.1870	
F Value	1.77**		3.41***		3.63***	

Source: Primary Data

\*Significant at 10% level; \*\*Significant at 5% level; \*\*\*Significant at 1% level.

The estimated coefficient in the selected model is significant with positive sign for job environment ( $\beta=0.2373$ ,  $t = 2.64$ ,  $p < 0.01$ ) and performance appraisal ( $\beta=0.3051$ ,  $t = 2.72$ ,  $p < 0.01$ ) whereas it is significant with negative sign for present position ( $\beta=-0.1943$ ,  $t = -1.66$ ,  $p < 0.05$ ), place

of residence ( $\beta=-0.3378$ ,  $t = -1.73$ ,  $p < 0.10$ ) and training / development ( $\beta=-0.1994$ ,  $t = -2.59$ ,  $p < 0.05$ ) i.e. the last three causes for decline in the commitment.

Based on the above results, it can be concluded that the high sacrifice commitment is more among employees in lower position residing in urban areas. i.e. their satisfaction level with job environment increases and HRM practices pertaining to performance appraisal goes up despite decline in training/development practices in cooperative organization at Pondicherry

Table VII.5 presents the regression results for “**affective commitment**” of employees in cooperative organization in Pondicherry. From the observation of the results, it may be clear that first, second and third models with 35.73 per cent (Adjusted  $R^2 = 0.3573$ ), 40.80 per cent (Adjusted  $R^2 = 0.4080$ ) and 40.70 per cent (Adjusted  $R^2 = 0.4071$ ) of the explanatory capacities are fitted significantly at 1 per cent level. However, from the comparison of adjusted  $R^2$  values, it is understood that the equation second and third are much better than the first one.

At the same time, there is no much difference in the adjusted  $R^2$  values between second and third model. That is, the explanatory capacity of nine variables of second equation is almost the same as that of the third equation with the capacity to explain eight variables (third model). However the second equations adjusted  $R^2$  being higher 40.80 percent it is accepted for analysis. As per this equation job security and status, job environment performance appraisals are positively influencing the affective commitment and they are significant. But the working condition, recruitment practices are significantly influencing the affective commitment, at the same time these factors are working for decline in the commitment.

**Table VII.15**  
**Results of Regression Showing Effect of Socio-Economic, Job Satisfaction**  
**and HRM Practices on Affective Commitment**

Independent Variables	Regression Model					
	1		2		3	
	Coefficient	t-value	Coefficient	t-value	Coefficient	t-value
Intercept	0.4909	0.38	0.0901	0.12	-0.0010	0.00
Age	-0.1670	-1.12	-0.1661	-1.65	-0.1589	-1.58
Sex	-0.2954	-1.23	-0.2831	-1.36	-0.2946	-1.42
Marital Status	-0.2051	-0.76				
Religion	0.1921	0.81				
Caste	-0.0238	-0.25				
Education	-0.0885	-0.50				
Designation	0.0216	0.20				
Present Position	0.0176	0.09				
Family Size	0.0300	0.16				
Place of Residence	0.3388	1.38	0.2959	1.32	0.3021	1.35
Interpersonal Relationship	0.0703	0.50				
Salary and Benefits	0.0520	0.35				
Working Condition	-0.1380	-1.27	-0.0883	-1.07		
Job security & Status	0.2678**	2.24	0.3208***	3.08	0.2955***	2.91
Job Environment	0.4347***	3.77	0.4540***	4.26	0.4292***	4.12
Recruitment Practices	-0.2261*	-1.86	-0.2120**	-1.98	-0.2079*	-1.94
Recognition / Rewards	0.0456	0.38				
Performance Appraisal	0.7266***	4.55	0.7307***	5.18	0.7130***	5.09
Training / Development	-0.2034**	-2.01	-0.1797**	-2.01	-0.1755**	-1.97
R <sup>2</sup>	0.4759		0.4597		0.4531	
Adjusted R <sup>2</sup>	0.3573		0.4080		0.4071	
F Value	4.01***		8.89***		9.84***	

Source: Primary Data.

\*Significant at 10% level; \*\*Significant at 5% level; \*\*\*Significant at 1% level.

n the selected third model, the estimated coefficients of job satisfaction variables, namely "job security & job status ( $\beta=0.2955$ ,  $t = 2.91$ ,  $p < 0.01$ ) and "job environment" ( $\beta=0.4292$ ,  $t = 4.12$ ,  $p < 0.01$ ) and that of HRM practice variable, "performance appraisal" ( $\beta=0.7130$ ,  $t = 5.09$ ,  $p < 0.01$ ) are positive and significant while coefficients are significant with negative sign for HRM practice variables, "recruitment practices" ( $\beta=-0.2079$ ,  $t = -1.94$ ,  $p < 0.10$ ) and "training /development" ( $\beta=-0.1755$ ,  $t = -1.97$ ,  $p < 0.10$ ).

From the analysis of the results, it is found that the younger male employees from rural areas tend to show more affective commitment if their satisfaction with "job security/job status" and "job environment" increase remarkably despite substantial decline in "recruitment" and "training/development" practices of HR department in cooperative organization at Pondicherry.

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## **Chapter - VIII**

### **GROWTH AND PERFORMANCE OF THE COOPERATIVES AS AN OUTCOME OF HRM PRACTICES**

The field of performance management can comprise two separate types of management. In one aspect of performance management, an analyst may view the performance of a company as a whole, and also evaluate the effectiveness of the managers and heads of companies in reaching goals. In another sense, performance management may be a system of evaluating employees to help them reach reasonable goals and thus ensure that the company performs better. This discussion will focus on the latter definition.

Performance management of individual employees differs. It generally includes the following: planning work, setting goals, offering feedback and reviews, offering opportunities to learn more in one's field, and rewarding employees who perform well.

Employee performance management works best when work is planned and goals are consistent. This may mean having a clear way to communicate regarding work expected at the moment and upcoming work. Planning also includes defining expectations of the employee so that he or she is not broadsided by evaluation criteria not included in planning.

Planning and setting goals in performance management also creates a system of predictable rewards for good performance, and consequences for poor performance. This way the employee can reasonably assume the consequences of work performance, whether good or bad.

Performance management also involves giving feedback to employees on a more consistent basis than the average annual review. Instead, an employee's ability to exceed or failure to meet goals may be monitored on a

monthly basis. This provides the employee with either the opportunity to receive compliments and rewards fairly regularly, or to make behavior changes sooner if performance is not up to par.

Often employees feel that end of the year reviews contain criticisms of work in the past year that were never openly discussed with the employee. The employee benefits from a more consistent model of performance management evaluation, since this gives a person time to address issues and change problem issues.

In a performance management model, employees must also be given ways to grow and develop in their field. This means giving opportunities to work on harder projects, pairing less-skilled employees with expert employees, and offering team models where employees can direct and make decisions. Greater responsibility and opportunities to advance in one's field are essential to maintaining happy and productive employees.

Rewards are also a huge part of performance management. The greatest part of this is rewards of monetary nature, either in bonuses or raises, when employees perform well. As well, employees who actually are now qualified to work in a high level of their field should be placed in positions of greater responsibility, and receive a greater share of pay. Performance analysis should focus as much or more on positive performance than it does on negative performance. Rewards for positive performance must be real and tangible, or else the company runs the risk of becoming a "negative action" company only.

The trends in the growth of the above said factors are analysed taking time as one variable and the number of societies, or number of members, the amount of paid capital, or the amount of profit earned in every year as another variable.



The equation so fitted is shown in the table VIII.1 to VIII.4 for analysis. The data for all these factors are available from the Register of Cooperatives only from the year 1999-2000.

The observation of the table VIII.1 shows that the number of societies have grown from 467 in the year 1999-2000 to 514 in the year 2007-2008. The compound annual growth rate is 1.24 societies and the linear growth rate of the same have been 6 societies per year and this growth is significant at 1 percent level.

In the same way the number of members have grown from 4,35,622 in the year 1999-2000 to 5,48,350 in the year 2007-2008. On an average the number of members have been 4,67,735. The number of members have been growing at a compound annual growth rate of during this period. The linear growth rate of the number of member were 23734 per annum. This growth rate have been significant at 1 percent level.

**VIII.1**  
**Trend and Growth in Number of Societies, Membership, Working Capital and Paid-up Share Capital between 1999-00 and 2007-08**

(Rs. in lakhs)				
Year	Number of Societies	Membership	Working Capital	Paid-up Capital
1999-00	467	435622	21345.25	9224.69
2001-02	482	393256	35584.30	10743.45
2002-03	491	399843	80333.48	12744.09
2003-04	487	397400	79842.48	12666.26
2004-05	497	504810	78044.42	13926.82
2005-06	501	524998	77508.23	17283.76
2006-07	510	537599	99555.43	20479.56
2007-08	514	548350	119850.93	21942.19
Mean	494	467735	74008.07	14876.35
CAGR	1.24	5.17	22.57	13.05
LGR	6***	23734***	11894.30***	1816.46***
t-Value	9.54	4.08	5.53	10.26

Figures in brackets are t-values. \*\*\*Significant at 1% level.

The paid capital contributed by the individual members and the organisational member was Rs. 9224.69 in the year 1999-2000 and it has grown to Rs.21942.19 in the year 2007-2008. On an average it was Rs. 14876.35 per year. It had a compound annual growth rate of Rs.13.05 per annum and the linear growth rate of 1816.46 per annum. It was significant at 1 percent level.

The working capital required for carrying at it operations was Rs.21345.25 in the year 1999-2000 and it had grown to Rs.1,19,850.93 in the year 2007-2008. On an average it was Rs.74,008.25 per annum. It has having a compound annual growth rate of Rs.22.57 per year. Its linear growth rate during the period in on an average Rs.11,894.30 per year. This is significant at percent level.

The trends in the growth of number of employees working in the cooperative organisations in Pondicherry and their salary and wage presented in table VIII.2.

**Table VIII.2**  
**Trend and Growth in Number of Employees and Wages & Salaries in**  
**Cooperative Societies between 1999-00 and 2007-08**

(Rs. in lakhs)		
Year	Number of Employees	Wages & Salaries
1999-00	5125	2646.43
2001-02	5069	2852.17
2002-03	5164	3043.77
2003-04	5479	3916.97
2004-05	5531	4226.63
2005-06	5775	5236.22
2006-07	5777	6220.67
2007-08	5841	6965.67
Mean	5470	4388.57
CAGR	2.30	15.88
LGR	124.25***	642.43***

Figures in brackets are t-values. \*\*\*Significant at 1% level.

The number of employees have been growing from 5125 in the year 1999-2000 to 5841 in the year 2007-2008. On an average it was 5470 in all the years. It was having a compound annual growth rate of 2.80 employee per year. The linear growth rate was 124.25 employees per year. This was significant at 1 percent level.

The salary and wages paid by the cooperative organisations in the Union Territory of Pondicherry shows that it was Rs.2646.43 in the year 1999-2000 and it has grown to Rs.6965.67 in the year 2007-2008. On an average, it was Rs.4388.57 per year during the period under study. It had a compound annual growth of Rs.15.88 during the period and in the same way, the linear growth had been Rs.642.43 per annum. This is significant at 1 percent level.

Another important parameter of profits earned by the organization is taken for evaluating the performance due to the organisational commitment. In this case it is analysed that the profits earned by the cooperatives in the Pondicherry or the losses that has affected the same. Therefore, the same is analysed collecting the data from the year 1999-2000 and presenting it in the table VIII.3.

**Table VIII.3**  
**Trend and Growth in Profit and Loss in Cooperative Organization**  
**between 1999-00 and 2007-08**

Year	Profit	Loss
1999-00	245	222
2001-02	254	228
2002-03	253	238
2003-04	270	217
2004-05	296	201
2005-06	282	219
2006-07	262	248
2007-08	275	239
Mean	267.13	226.50
CAGR	1.66	0.73
LGR	4.32	1.74

Figures in brackets are t-values.

The observation of the table shows that the profits earned by the cooperatives in Pondicherry have growth from Rs.245 in the year 1999-2000 to Rs.275 in the year 2007-2008. i.e. an a period of ten years. In an average the profit was Rs.267.13 per annum. The profits have been growing and the compound annualised growth rate is Rs.1.66 per year. In the same way the linear growth rate is, on an average Rs.4.32 per annum.

In the same, some other cooperative organisations suffered from losses. The losses have been Rs.222 in the year 1999-2000 to Rs.239 in the year 2007-2008. In an average the losses have been Rs.226.50. Luckily the growth in the losses are lesser than the growth of the profits. The compound annualised growth rate of the losses has been Rs.6.73 per year during this period under study. The linear growth rate in the losses has Rs.1.74 per annum. Neither the growth in the profits nor the growth in the losses are significant.

**Table VIII.4**  
**Trend and Growth in Cooperative Societies – Region wise between**  
**1999-00 and 2007-08**

(Rs. in lakhs)				
Year	Pondicherry	Karaikal	Mahe	Yanam
1999-00	349	74	21	23
2001-02	358	75	23	26
2002-03	360	82	23	26
2003-04	352	86	25	24
2004-05	354	85	24	34
2005-06	357	85	25	34
2006-07	362	87	26	35
2007-08	361	88	27	38
Mean	357	83	24	30
CAGR	0.33	2.47	3.12	7.60
LGR	1.15	1.98***	0.74***	2.19***

Figures in brackets are t-values. \*\*\*Significant at 1% level.

The observation of the table shows that the trend and growth in cooperative societies in the U.T. of Pondicherry. Classified as region wise between 1999-2000 to 2007-2008. Steady growth is observed in all region wise, Pondicherry, Karaikal, Mahe, Yanam. Where Pondicherry shows a growth of 349 in 1999-2000 to 361 in the year 2007-2008 over a period of nine years. It is also seen than the growth is assured when it is compounded to 0.33 and the LGR an average of 1.15 level which shows 'nil significant'.

When the same is analysed in the Karaikal region it is found that a progress in the growth for 74 societies in the year 1999-2000 to 88 societies in the year 2007-2008 which shows a mean value of 83 subjected to CAGR of 2.47 and LGR to 1.98 level which shows a level of significant at 1 percent level.

Similarly Mahe and Yanam region also contributes an ongoing growth in the cooperative societies. It is observed that 21 societies during the year 1999-00 in Mahe has reached to 27 societies during 2007-08 with a mean value of 24 shows a compounded annual growth rate of 3.12 concluded to LGR at 0.74 at 1 percent significant level and 23 societies during 1999-00 raised to 38 societies during 2007-08 with a mean value of 30 and compounded growth rate of 7.60. LGR shows an increase rate of 2.19 with 1 percent significant level. Altogether the trend in co-operative societies shows a growth in the U.T. of Pondicherry. Thus the hypothesis H<sub>3</sub> is disproved.

### **The impact of Human Resource Management (HRM) Practices in the U.T. of Pondicherry**

Human resource management (HRM) is the strategic and coherent approach to the management of an organization's most valued assets - the people working there who individually and collectively contribute to the achievement of the objectives of the business (Armstrong, 2006).<sup>1</sup> HRM is concerned with planning, organizing and controlling the functions of

procuring, developing, maintaining and utilizing a labour force, such that the (a) Objectives for which the company is established are attained economically and effectively. (b) Objectives of all levels of personnel are served to the highest possible degree. (c) Objectives of society are duly considered and served.<sup>2</sup> HRM involves all management decisions and practices that directly affects the people, or human resources, who work for the organization. Human resource Management (HRM) involves all management decisions and practices that directly affects or influence or human resources, who work for the organization. Here in this part of the study, an attempt is made to explore HRM practices in Cooperative organization at Pondicherry and measure the attitude of the employees as response to HRM practices and the organizational commitment it has impacted upon them in the cooperatives of U.T. of Pondicherry.

For measuring the attitude of the respondent towards HRM practices and the organizational climate it has created in the cooperative organizations under study, 12 statements were incorporated in the questionnaire. The type of scale used for obtaining the respondent's opinion is Likert's 5-point scale type scale with values ranging from 1 for "Strongly Disagree", 2 for "Disagree", 3 for "Neither disagree nor agree", 4 for "Agree" and 5 for "Strongly agree". The reliability of the data (internal consistency of statements measuring HRM practices) was ascertained with the help of Cronbach alpha coefficient obtained from item analysis.

According to Table VIII.5, which shows the results of reliability / item analysis, the item to total correlation for all statements measuring attitude towards HRM practices is well above the minimum required value of 0.30.

The overall alpha value is 0.8294, which indicates that all HRM practice items are consistent with each other. Moreover, "alpha if deleted" values for all 12 statements are less than the overall alpha value. This again reveals the high internal consistency of the items in the scale. So, the data

obtained were subjected to factor analysis to identify the different characteristics underlying HRM practices in cooperative organization.

**Table VIII.5**  
**Reliability / Item Analysis Results for Variables Measuring HRM Practices**

<b>Item No</b>	<b>HRM Practices Measurement Variables</b>	<b>Item to Total Correlation</b>	<b>Alpha if Deleted</b>
1	The mode of ascertaining vacancies in this organization is not systematic	0.4503	0.8195
2	The selection procedure which I underwent went was good	0.4790	0.8173
3	This organization is always serious about selecting the right person for the right job	0.4939	0.8162
4	Training is important in my organization to develop as a managerial person	0.5302	0.8146
5	The training programmes which I have attended through this organization have not been of any use to me so far	0.3338	0.8303
6	By joining the organization I get a feeling over the years that I have developed myself to a considerable extent	0.4767	0.8176
7	Employees who do good work are adequately rewarded	0.5060	0.8162
8	Promotion are denied	0.5389	0.8124
9	I have been given the right designation according to my job	0.5414	0.8123
10	I believe that I am making a meaningful contribution to this organization through my work	0.5690	0.8106
11	I do not get the importance that I deserve	0.5054	0.8151
12	Subordinates are not cooperative in this organization	0.4689	0.8181
<b>Cronbach's Alpha Reliability Coefficient</b>		<b>0.8294</b>	

Source: Primary Data

Table VIII.6 present the eigenvalues of factors underlying the HRM practices of cooperative organization obtained from factor analysis.

**Table VIII.6**  
**Eigenvalues of Factors Underlying HRM Practices**

Factors	Eigenvalue	% of Total Variance	Cumulative % of Total Variance
1	4.29	4.29	35.74
2	1.83	6.12	51.01
3	1.38	7.50	62.47
4	1.04	8.53	71.12
5	0.76	9.29	77.41
6	0.54	9.83	81.92
7	0.46	10.29	85.79
8	0.42	10.71	89.25
9	0.40	11.11	92.61
10	0.39	11.50	95.82
11	0.28	11.78	98.19
12	0.22	12.00	100.00

Source: Primary Data

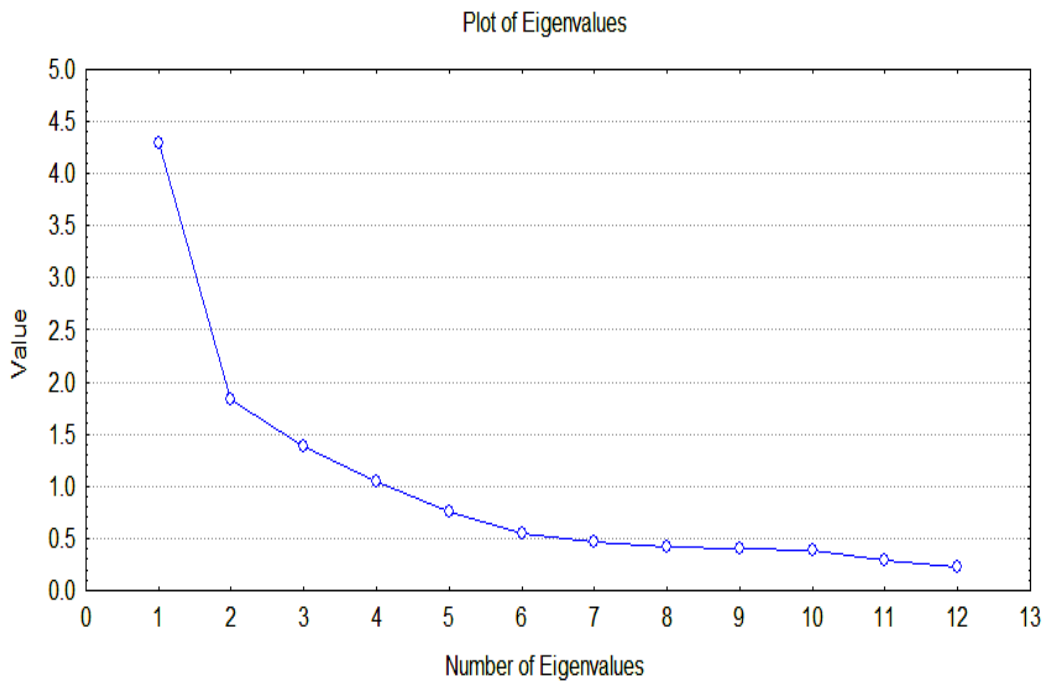
The HRM practices taken here for detailed analysis are:

1. Recruitment practices
2. Recognition and rewards
3. Performance appraisal and
4. Training and Development

It can be seen from the table, that for all the **first four factors** the eigenvalues are above one and all these four factors possess the 71.12 per cent of the characteristics of the original data set of HRM practices. Figure VIII.1 shows the extractable factors, i.e., factors with eigenvalue above one, graphically using scree plot.



**Figure VIII.1: Scree Plot**



From the eigenvalue and from scree plot i.e. graphical presentation of eigenvalue, it is well understood that there are four different HRM practices adopted in cooperative organization in Pondicherry.

The factor loadings, i.e., correlation of each statement with extracted factors, indicating as to statement belongs to which factor, are reported in Table VIII.7.

It can be seen from the table that the items 1 (The mode of ascertaining vacancies in this organization is not systematic) and 2 (The selection procedure which I underwent was good) have high loadings with first factor.

**Table VIII.7**  
**Factor Loadings of Actual Variables with Extracted Factors**  
**(After Varimax Rotation)**

Item No	Description of Variables	Factor			
		1	2	3	5
1	The mode of ascertaining vacancies in this organization is not systematic	<b>0.90</b>	0.10	0.08	0.14
2	The selection procedure which I underwent was good	<b>0.77</b>	0.21	0.30	-0.11
11	I do not get the importance that I deserve	0.14	<b>0.86</b>	0.07	0.13
8	Promotions are denied	-0.01	<b>0.81</b>	0.25	0.17
12	Subordinates are not cooperative in this organization	0.23	<b>0.81</b>	-0.03	0.16
9	I have been given the right designation according to my job	0.31	0.01	<b>0.80</b>	0.05
4	Training is important in my organization to develop as a managerial person	0.12	0.01	<b>0.73</b>	0.32
6	Joining the organization I get a feeling over the years that I have developed myself to a considerable extent	-0.07	0.31	<b>0.73</b>	0.02
10	I believe that I am making a meaningful contribution to this organization through my work	0.39	0.28	<b>0.62</b>	-0.07
7	Employees who do good work are adequately rewarded	0.34	-0.01	<b>0.51</b>	0.39
5	The training programmes which I have attended through this organization have not been of any use to me so far	0.02	0.26	-0.07	<b>0.85</b>
3	This organization is always serious about selecting the right person for the right job	0.05	0.13	0.30	<b>0.79</b>
Explained Variance		1.85	2.35	2.62	1.71
% of Total Variance		15.46	19.60	21.82	14.24
Cumulative % of Total Variance		15.46	35.05	56.88	71.12
Factor Label		<b>Recruitment Practices</b>	<b>Recognition/Rewards</b>	<b>Performance Appraisal</b>	<b>Training / Development</b>

Source: Primary Data

With second factor, the items 11, 8 and 12 (I do not get the importance that I deserve, Promotion are denied Subordinates are not cooperative in this organization) are highly loaded. While the third factor is highly characterized by the items 9, 4, 6, 10 and 7. I have been given the right designation according to my job 9; Training is important in my organization to develop as a managerial person 4; Joining the organization I get a feeling over the years that I have developed myself to a considerable extent 6; I believe that I am making a meaningful contribution to this organization through my work 10; Employees who do good work are adequately rewarded-7; the fourth factor has the essence of item 5, 3; The training programmes which I have attended through this organization have not been of any use to me so far 5 and ; This organization is always serious about selecting the right person for the right job 3. Based on the items with high loadings, first, second, third and fourth factors are labeled as "Recruitment Practices", "Recognition / Rewards", "Performance Appraisal" and "Training / Development" respectively. The score for each extracted factors are obtained by averaging the scores of the items that are highly loaded with those factor.

The attitude of the respondents towards the four different practices in HRM in cooperative organization are compared across categories by general and job characteristics such as age, sex, designation, present position, etc. in order to ascertain as to whether the respondents have perceived their organizations' HRM practices in similar way irrespective of their general characteristics and job status differently. This is useful for arriving at conclusions about status of HRM practices in the cooperatives. The respondent group may be found to be with "strongly disagree", "disagree", "neither disagree nor agree", "agree" and "strongly agree" when the group mean score is " $< 1.50$ "; " $\geq 1.50$  and  $< 2.50$ "; " $\geq 2.50$  and  $< 3.50$ "; " $\geq 3.50$  and  $< 4.50$ "; and " $\geq 4.50$ " respectively.

From Table VIII.8, in which mean attitude scores for the sample of all the four HRM practice dimensions are reported, it can be seen that the mean value, 3.80 for “recruitment practices” and 3.67 for “performance appraisal” is in “agree” range ( $\geq 3.50$  and  $< 4.50$ ) whereas mean value of 3.44 for “recognition and rewards” and 3.39 for “training/development” is in “neutral” range ( $\geq 2.50$  and  $< 3.50$ ).

**Table VIII.8**  
**Status of HRM Practices in Cooperative Organization**

HRM Practice Dimensions	Mean	SD
Recruitment Practices	3.80	0.76
Recognition / Rewards	3.44	0.74
Performance Appraisal	3.67	0.63
Training / Development	3.39	0.85

So, it is obvious from the mean values that the recruitment practices, and performance appraisal had been **better**, whereas practices regarding recognition / rewards and training / development have been **moderate** in cooperative organization. It is further apparent that HRM practices in respect of recruitment practices are much better than other practices in the organization. The standard deviation for training and development and recruitment practices being more .85 and .75 indicate the inconsistency in both or evaluation of the employees.

Table VIII.9 shows the comparison of respondents' opinion of HRM practices across age groups.

**Table VIII.9**  
**Attitude of Employees towards HRM Practices in Cooperative Organization - Comparison by Respondents' Age**

HRM Practice Dimensions	Age (in Years)			F value
	Up to 35	36 – 40	Above 40	
Recruitment Practices	3.77 (0.44)	3.60 (0.97)	3.84 (0.81)	0.44
Recognition / Rewards	3.39 (0.58)	3.57 (0.79)	3.44 (0.79)	0.20
Performance Appraisal	3.33 (0.68)	3.82 (0.50)	3.76 (0.60)	4.89***
Training / Development	3.44 (0.61)	3.65 (0.63)	3.34 (0.94)	0.61

Figures in brackets are standard deviation. \*\*\*Significant at 1% level

As shown in the table, the younger employees (up to 35 years of age) have neither disagreed nor agreed with all practices except "recruitment practices". The employee group with age above 40 years, while perceiving the "recognition / rewards" and "training / development" neutrally, have agreed with "recruitment practices" (Mean = 3.84) and "performance appraisal" (Mean = 3.76). On the other hand, the employees in the age group between 36-40 years have expressed their agreement with all dimensions of HRM practices. However, opinion differ significant across age groups only in the case of "performance appraisal" (F value = 4.89,  $p < 0.01$ ). On the whole, it is found that employees' opinion about HRM practices is independent of their age.

Table VIII.10 provides the results of the opinion of the employees according to gender i.e. male and female respondents.

**Table VIII.10**  
**Attitude of Employees towards HRM Practices in Cooperative Organization - Comparison by Respondents' Gender**

HRM Practice Dimensions	Gender		t Value
	Male	Female	
Recruitment Practices	3.81 (0.74)	3.72 (0.86)	0.45
Recognition / Rewards	3.51 (0.71)	3.06 (0.84)	2.25**
Performance Appraisal	3.70 (0.58)	3.45 (0.88)	1.49
Training / Development	3.42 (0.82)	3.25 (0.98)	0.74

Figures in brackets are standard deviation. \*\*Significant at 5% level

It can be observed from the table that the male employees' perceived status of HRM practices are higher than that of female counterparts (Mean values for male group are more than that of female group for all four HRM dimensions). While female employees are neutral, male employees have expressed their agreement with "recognition / rewards" and "performance appraisal". At the same time both male and female employees are found to be with neutral attitude towards "training / development". The female employees' level of agreement with "recognition / rewards" is significantly less than that of male employees (t- value = 2.25,  $p < 0.05$ ). Regarding other three dimensions of HRM practices, both male and female employees are having similar attitude. Therefore, it can be concluded that the attitude of the respondents towards most of the HRM practices is same between male and female respondents.

According to Table VIII.11, the level of agreement with recruitment practices among the respondent group with unmarried (Mean = 4.14) being higher than that of married (Mean = 3.76). The scenario is found to be reverse to that of the 'single' and 'married' groups with regard to "recognition/rewards" and "performance appraisal".

**Table VIII.11**  
**Attitude of Employees towards HRM Practices in Cooperative Organization - Comparison by Respondents' Marital Status**

HRM Practice Dimensions	Marital Status		t value
	Single	Married	
Recruitment Practices	4.14 (0.39)	3.76 (0.78)	1.58
Recognition / Rewards	3.30 (0.79)	3.46 (0.74)	0.64
Performance Appraisal	3.49 (0.55)	3.69 (0.64)	0.97
Training / Development	3.45 (0.85)	3.39 (0.85)	0.25

Figures in brackets are standard deviation.

However, there is no much difference in the mean values against "training / development" between both the groups.

This leads to the conclusion that the attitude of the respondents towards HRM practices is independent of by their marital status.

An examination of the Table VIII.12 reveals that both Hindu and Non-Hindu employee groups have agreed the existence of "recruitment practices" and "performance appraisal" in the cooperative organizations at Pondicherry.

**Table VIII.12**  
**Attitude of Employees towards HRM Practices in Cooperative**  
**Organization - Comparison by Respondents' Religion**

HRM Practice Dimensions	Religion		t value
	Hindu	Non-Hindu	
Recruitment Practices	3.79 (0.79)	3.82 (0.54)	0.12
Recognition / Rewards	3.44 (0.76)	3.40 (0.62)	0.19
Performance Appraisal	3.69 (0.64)	3.53 (0.62)	0.87
Training / Development	3.41 (0.81)	3.29 (1.07)	0.51

Figures in brackets are standard deviation.

On the other hand, both religious groups have neither disagreed nor agreed for the availability of HRM practices of "recognition / rewards" and "training / development" (Mean values are in 'neutral' range). Hence, it can be concluded that respondents' attitude towards HRM practices in cooperative organization do not differ based on religion.

The attitude of the cooperative employees towards HRM practices in their organization is compared across different caste categories and the results of the analysis are presented in Table VIII.13.



**Table VIII.13**  
**Attitude of Employees towards HRM Practices in Cooperative**  
**Organization - Comparison by Respondents' Caste**

HRM Practice Dimensions	Caste				F value
	Forward	OBC	SC/ST	BC	
Recruitment Practices	3.80 (0.27)	3.75 (0.81)	3.74 (0.75)	3.96 (0.71)	0.47
Recognition / Rewards	3.60 (0.89)	3.42 (0.72)	3.32 (0.93)	3.56 (0.60)	0.47
Performance Appraisal	3.44 (0.68)	3.65 (0.54)	3.63 (0.84)	3.78 (0.64)	0.52
Training / Development	3.50 (0.50)	3.44 (0.78)	3.40 (0.98)	3.27 (0.94)	0.23

Figures in brackets are standard deviation.

The observation of the table shows that there has been an agreement with "recruitment practices" among all caste groups and the level of agreement does not differ. While OBC, SC/ST and BC employees have perceived "performance appraisal" as 'better', those belong to forward caste have perceived it as moderate. But the F value indicates that the above difference in attitude is by chance. The scenario is very similar to that of the above in respect of "recognition / rewards" and "training / development". From the entire results, it is found that there is association between caste and attitude towards HRM practices in cooperative organization among employees.

Table VIII.14 shows the mean scores for opinion of the respondent groups due to their educational qualifications. Since there are only two variables, t value is used for testing.

**Table VIII.14**  
**Attitude of Employees towards HRM Practices in Cooperative Organization - Comparison by Respondents' Educational Status**

HRM Practice Dimensions	Educational Status		t value
	Degree	Post-Graduate	
Recruitment Practices	3.81 (0.82)	3.79 (0.72)	0.07
Recognition / Rewards	3.57 (0.82)	3.37 (0.70)	1.35
Performance Appraisal	3.82 (0.60)	3.59 (0.64)	1.79*
Training / Development	3.56 (0.79)	3.31 (0.87)	1.42

Figures in brackets are standard deviation.

\*Significant at 1% level

As shown in the table, the attitude of the graduates and post-graduates towards "recruitment practices" is positive and are similar (mean score is almost equal [t-value is zero (0.07)]. There is no remarkable difference in the level of agreement with "recognition / rewards" and "training / development" between employee groups with 'bachelor' degree and "post-graduate" degree. However, there has been a marginal difference in the level of agreement with "performance appraisal" between two educated groups (t value = 1.79,  $p < 0.10$ ). It is found that the level of opinion about HRM practices among respondents is independent of their educational status.

When the effect of designation on respondents' attitude towards HRM practices is tested by comparing the mean perception across groups with four different designations and the results are reported in Table VIII.15.

**Table VIII.15**  
**Attitude of Employees towards HRM Practices in Cooperative**  
**Organization - Comparison by Respondents' Designation**

HRM Practice Dimensions	Designation				F value
	Junior Inspector	Senior Inspector	Co-operative Officer	Deputy Registrar	
Recruitment Practices	3.83 (0.45)	3.78 (0.71)	3.59 (1.02)	4.00 (0.84)	1.07
Recognition / Rewards	3.54 (0.63)	3.31 (0.71)	3.27 (0.92)	3.67 (0.71)	1.53
Performance Appraisal	3.46 (0.72)	3.56 (0.38)	3.73 (0.69)	4.04 (0.62)	4.11***
Training / Development	3.50 (0.61)	3.44 (0.76)	3.05 (1.18)	3.55 (0.79)	1.69

Figures in brackets are standard deviation. \*\*\*Significant at 1% level.

It is evident from the table that there is no notable difference in the level of agreement with "recruitment practices", "recognition / rewards", and "training/development" among senior inspectors, junior inspectors, cooperative officers and deputy registrars. However, the attitude of deputy registrars (Mean = 4.04) and cooperative officers (Mean = 3.73) towards "performance appraisal" is significantly higher than that of senior inspectors (Mean = 3.56) and junior inspectors (Mean = 3.46) (F value = 4.11,  $p < 0.01$ ). As designation has significant effect only on performance appraisal out of four HRM practice dimensions, it is concluded that the attitude of the cooperative employees towards HRM practices in their organization is independent of their designation.

**Table VIII.16**  
**Attitude of Employees towards HRM Practices in Cooperative Organization - Comparison by Respondents' Present Position**

HRM Practice Dimensions	Present Position			F value
	Junior	Middle	Senior	
Recruitment Practices	3.82 (0.66)	3.55 (0.82)	4.02 (0.76)	3.13**
Recognition / Rewards	3.37 (0.70)	3.44 (0.77)	3.54 (0.79)	0.47
Performance Appraisal	3.55 (0.66)	3.52 (0.44)	3.97 (0.68)	5.50***
Training / Development	3.51 (0.66)	3.15 (0.92)	3.48 (0.96)	1.96

Figures in brackets are standard deviation.

\*\*Significant at 5% level; \*\*\*Significant at 1% level.

As per Table VIII.16, the perceived status “recruitment practices” among employees in middle position (Mean = 3.55) is significantly less than that of the juniors (Mean = 3.82) and senior (Mean = 4.02) position (F value = 3.13,  $p < 0.05$ ). The perception of the employees about “performance appraisal” is notably higher among senior employees (Mean = 3.97) than that of employees in junior (Mean = 3.55) and middle (Mean = 3.52) position (F value = 5.50,  $p < 0.01$ ). At the same time, there is no significant difference in the level of opinion about “recognition / rewards” and “training / development” among employees in junior, middle and senior position. To sum up, from the entire results it is found that attitude of the cooperative employees towards HRM practices in their organization differs in two out of four due to their present position in the organization.

The relationship between family size and attitude towards HRM practices is analyzed in Table VIII.17.

**Table VII.17**  
**Attitude of Employees towards HRM Practices in Cooperative Organization - Comparison by Respondents' Family Size**

HRM Practice Dimensions	Family Size (Number of members)		t value
	Up to 4	Above 4	
Recruitment Practices	3.80 (0.75)	3.79 (0.79)	0.07
Recognition / Rewards	3.48 (0.75)	3.31 (0.72)	1.04
Performance Appraisal	3.64 (0.65)	3.75 (0.59)	0.82
Training / Development	3.38 (0.86)	3.44 (0.83)	0.33

Figures in brackets are standard deviation.

It can be seen from the table that t-values for the difference in group means are insignificant for all dimensions of HRM practices. While both family size groups have agreed with "Recruitment practices" and "Performance appraisal", they have neither disagreed nor agreed with "recognition / rewards" and "Training / development". On the whole, it is found that there is no relationship between family size and attitude of the employees towards HRM practices in their organization.

Table VIII.18 reports the results of comparing the attitude of the employees towards HRM practices between urban and rural employee groups.

**Table VIII.18**  
**Attitude of Employees towards HRM Practices in Cooperative Organization - Comparison by Respondents' Place of Residence**

HRM Practice Dimensions	Place of Residence		t value
	Urban	Rural	
Recruitment Practices	3.86 (0.67)	3.33 (1.15)	2.31**
Recognition / Rewards	3.48 (0.71)	3.14 (0.97)	1.49
Performance Appraisal	3.69 (0.63)	3.45 (0.68)	1.26
Training / Development	3.43 (0.83)	3.13 (0.93)	1.17

Figures in brackets are standard deviation.

\*\*Significant at 5% level.

The observation of the table shows that urban employees have agreed with recruitment practices (Mean = 3.86) and differ significantly from rural group who have 'neutral' opinion with the above HRM practice (Mean = 3.33) (t value = 2.31,  $p < 0.05$ ). With regard to "Recognition / Rewards" and "Training / Development", both urban and rural employees are having 'neutral' opinion and their level of opinion is unaffected by their place of residence. Though there has been an agreement among urban employees and 'neutrality' among rural employees, the opinion between urban and rural groups do not differ significantly in respect of "performance appraisal" ('t' value is insignificant). The existing difference may be attributed to chance. As the difference in group means is significant for only one out of four dimensions, it is concluded that cooperative employees' attitude towards HRM practices in their organization is independent of their place of residence.

**Table VIII.19**  
**Attitude of Employees towards HRM Practices in Cooperative Organization - Comparison by Type of Cooperative Sector**

HRM Practice Dimensions	Type of Cooperative Sector			F value
	Credit	Non-Sector	Both	
Recruitment Practices	3.92 (0.61)	3.71 (0.87)	3.89 (0.52)	0.89
Recognition / Rewards	3.53 (0.71)	3.36 (0.76)	3.58 (0.72)	0.88
Performance Appraisal	3.77 (0.51)	3.63 (0.62)	3.63 (0.82)	0.46
Training / Development	3.33 (0.65)	3.36 (0.98)	3.61 (0.61)	0.73

Figures in brackets are standard deviation.

According to F-test results presented in Table VIII.19, the attitude of the employees in credit cooperatives, non-credit cooperatives and credit/non-credit (both) sectors towards all four HRM practice dimensions, such as "Recruitment Practices", "Recognition/Rewards", "Performance Appraisal" and "Training/ Development do not differ (F values are insignificant for all four HRM practice dimensions). From these results, it is clear that the attitude towards HRM practices among employees is independent of the type of cooperative sector.

So far from the results of the analysis of respondents' opinion about HRM practices in cooperative organization, it is concluded that there are four major practices pertaining to "recruitment", "recognition / rewards", "performance appraisal" and "training / development" in HRM department of cooperative organization. It is concluded that practices regarding recruitment of employees and appraising the performance of the employees is better while practices in respect of recognition / rewards and training / development is neither bad nor good. From the comparison of the opinion across categories by general characteristics and job characteristics, it is found

the attitude of the employees towards HRM practices is unaffected by age, sex, marital status, religion, caste, education, designation, family size, place of residence and type of cooperative sector. The attitude toward HRM practices differ only by present position. As most of the general and job oriented characteristics do not influence the attitude, it is strongly concluded that recruitment practices and performance appraisal are better whereas recognition/rewards and training/development are moderate in cooperative organization at Pondicherry.

After analyzing the organizational commitment of the employees and their attitudes as a result of the same an attempt is also made here to evaluate the performance of the cooperative sector in the Union Territory of Pondicherry as a consequence of the employees organizational commitment, their attitudes towards the HRM practices followed by these organizations using the growth in the member of societies, members, paid up capital, working capital, growth in the number of employees, their salary and wages, profits earned by the societies, etc.



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## **Chapter-IX**

### **SUMMARY, FINDINGS AND CONCLUSION**

Human Resource Management (HRM) is concerned with the 'people' management and has always been a key staff function in an organization for its best performance and development. Human Resource Management is used widely to refer the philosophy, policies, procedures and practices relating to the management of people for achieving its organizational goals. Human Resource Management is concerned with competing for and competing on human resources. Competing for human resources involves recruiting and employing right personnel and competing with human resources involves developing, retaining and integrating personnel to achieve competitive advantage. It is executed through the mechanisms of recruitment, selection, compensation, performance appraisal, career planning, and training and development. There are several components of each one of these mechanisms. The present study is concerned with identifying as to whether these components have lead to creating organizational commitment and ultimately for better performance in the co-operative organizations in the Union Territory of Pondicherry or not.

The study was conducted in the cooperative sector in Pondicherry for which ten societies were selected from among 19 Cooperative Societies. Out of these ten societies, four were credit societies and 6 were non-credit societies. The cooperative sector was chosen for this piece of research because the cooperative movement faces number of challenges like lack of internal resources and poor mobilization of external resources, inadequate infrastructure, apathy of members towards management, lack of accountability, increasing sickness, dormancy, low level of professionalism, excessive government control, political interference, dominance of vested interests over the management, lack of human resource development measures etc. There is no system of recognition and reward for the committed

employees. Employees work without job satisfaction, and this adversely affects their motivation and organizational commitment. Organisational commitment of employees is important because the employees have to cope with the problems arising out of their job design and functions. In this context, the Human Resource Management and the organizational commitment of employees of cooperatives have seen to be of significance.

The major objectives of this study is to analyse the human resource management practices followed in the cooperatives in the Union Territory of Pondicherry and the consequent organizational commitment of the employees in general in contributing to the improved performance. The specific objectives are :

- To study the policies and practices relating to the recruitment selection, compensation, performance appraisal, career planning, and career development of managerial employees working in the cooperatives.
- To analyse the level of motivation of employees working in the cooperatives.
- To examine the expectation of the managers while working in the cooperatives in respect of job characteristics.
- To view and analyse as to how the levels of job satisfaction leads to the organizational commitment.
- To analyse the relationship between the socio-economic background and attitudes of managerial employees and their organisational commitment.
- To offer suggestions based on the finding of the study if any.

### **The Design and Methodology of the study**

The study is based on the survey method. Both primary and secondary data have been adopted for this study. Primary data was extensively used and secondary data was used to supplement the primary data as well as to provide

the background information. The primary data was collected from the employees through the issue of a well designed questionnaire and the responses received from the selected cooperative department employees like Deputy Registrars, Cooperative Officers, Senior Inspectors, and Junior Inspectors. Combining all the cadres a sample of 104 employees became the respondents out of a population of 150 employees.

The data collected for this purpose have been processed and analysed with the help of computer aided software like SPSS and other Statistical techniques viz. Mean, Standard Deviation, Cross tabulation and Chi-square analysis, T-test, F-test. The reliability of the items was tested with Cronbach alpha co-efficient. Factor analysis and factor loadings with Varimax rotation were also used for the purpose of finding out the preference given by the employees towards certain factors.

The present study is divided into: Section-A representing the summary of chapters; Section-B containing the analysis of the study.

## **Summary of Chapters**

The **introductory chapter** dealt with the subject matter of the study, the statement of the problem, the need for the study, its objective and the methodology adopted for the study. A brief outline of the survey conducted on the organizational commitment, instruments used for the study, the definition of the concepts used in the study, and the limitations of the study.

The **second chapter** dealt with the brief review of earlier studies and the reviews were classified and presented in three major areas. First functional aspects of Human Resource Management, Man power planning, Recruitment and selection, Training and Development and Salary Administration were discussed. Secondly the reviews on performance appraisal, job satisfaction, motivation and organizational commitment were analysed and finally the reviews focused on Human Resource Management in

the cooperative sector and for this purpose various sources such as research articles, working papers, seminar reports, internet, expert committee reports and commissions study reports from the libraries like IIM-Ahmadabad; IRMA-Gujarat; VAMNICOM-Pune; ICSSR-New Delhi; Natesan Institute of Coop. Management-Chennai; Pondicherry Cooperative College etc.

The **third chapter** dealt with the relevance of organizational commitment and the theoretical frame work covering the meaning of organizational commitment and the concept of organizational commitment. This includes emotional attachment, working environment and loyalty of the managerial employees to the cooperatives. The concept of job satisfaction is an essential one covering the attitudinal changes of the employees towards various job factors. Motivational factors were also discussed for enabling the researcher for drawing meaningful conclusions. Finally performance appraisal system was studied to make assessment of the individual's performance which may be the outcome of the organizational culture.

The **fourth chapter** represents the profile of the cooperatives in the Union Territory of Pondicherry. The first section dealt with evolution, highlights and milestones, historical profile of cooperative movement in India. Structure and significance of cooperatives and the share of cooperatives in national economy etc.,

Indian cooperative movement at a glance, the democracy in cooperation and good governance, cooperatives to get constitutional status, and cooperative model of micro financing and better life by cooperation were also discussed. The Second part dealt with the profile of the ten cooperatives selected for the study.

**Chapter five** dealt the evaluation of the organization commitment of the employees of the cooperatives. This part analysed the demographic and socio-economic characteristics and some job related aspects.

The study so carried out revealed that 67.3% of the sample respondents were above 40 years of age, and 23.3% were in the age of below 35 years and only 9.6% were in the age group between 36 to 40 years. It may be observed that majority of the employees were above 35 years of age and hence have substantial experience.

The sex wise analysis revealed that 84.6% of respondents were men and 15.4% were women, which clearly showed that men are having more inclination to take up job in Co-operatives than females.

The analysis pertaining to marital status revealed that 89.4% of the employees were married and 10.6% were unmarried. This shows the maximum employees were married and bounded with more responsibility.

The religion wise analysis revealed 86.5% of the sample respondents were Hindus and only 13.5% were non-Hindus irrespective of the cadre.

The caste wise analysed revealed that 51.9% were from the OBC Communities, 23.1% were from BC, 20.2% were belonging to SC/ST communities and only 4.8% were from forward caste. This shows that the other backward class people were showing more interest to serve in the cooperatives and adequate reservation was given to SC/ST employees.

The educational status wise analyse revealed that 65.4% of the sample employees were post graduates and 34.6% were degree holders. This shows that the employees have the competence for doing the job which they have taken up and are qualified to hold the positions.

It further revealed that 20.2% of the respondents were Deputy Registrars, 21.2% were Senior Inspectors, 30.8% were Junior Inspectors and around 27.9% were Cooperative Officers. It is observed that equal distribution of employees was found in the Pondicherry Cooperatives and some are eligible for higher positions when compared to the growth of the cooperative sector.

The analysis pertaining to personal characteristics also revealed that 40.4% were in junior level, 29.8% were in the middle level and 25.0% were in the senior level and 4.8% were in the top level in the department. The senior and top level employees fall in the cadre of Deputy Registrars and above as per the society or organization in which they are working.

The family size wise analysis revealed 75% were in the family size of upto 4 members and only 25% had a family size of more than 4 members.

The residential area analysis showed 61.5% of the employees were having own houses, 38.5% live in the rented houses. This shows that the employees above the age of 40 years might have constructed their own houses or may own inherited houses.

The analysis pertaining to the type of society showed, 56.7% of the respondents are working in non-credit societies and 25% are working in credit societies and 18.3% stated that they have been working both in credit and non-credit societies. Apart from this 18.3% work at the Head Office/Registrars' Office.

When the method of selection was analysed it was found that 55.8% were appointed directly to the post of Senior Inspectors/Junior Inspectors. 42.3% reached their positions on promotion and 1.9% entered into the service on deputation basis.

When the prior knowledge about the department was analysed it was found that 32.7% of the respondents do not have any knowledge about cooperatives. 51.9% have stated that they possess a little knowledge and 15.4% reported that they were very well aware of the department. That is 67.3% of the employees had a little or more knowledge about the cooperatives and it was varying depending upon their academic qualifications also.

When the employee's knowledge about the existence of the HRM/Personnel Department in their organization was analysed, it was found that nearly 77.9% of them reported that they do not know anything about the existence of Personnel/HRM Department.

When the source of recruitment was analysed, it was found that 48% of employees in the present post were promotees, 34.6% were transferees from the other departments. On absorption and deputation basis 36.5% were recruited through the external sources. It was also found that the department is recruiting mainly through the employment exchange and 23% stated that they had entered the department through open advertisement.

When the motivational factors influencing the employees to join the cooperatives were analysed taking the socio-economic characteristic using the mean score value on the basis of age, gender, marital status, education status, designation, family size. The results reveal that all age groups were moderately attracted by the 'fixed salary'. Further, all the factors except perks and other benefits and promotional opportunities have motivated to join cooperatives as per gender analysis. It is deduced that the category of job influencing the employees to join the organization is significantly depending upon the marital status. All the characteristics except the promotional opportunities (mean = 3.50) were acting as a motivating factor as per educational status. It was observed that the designation was playing a significant role in motivating the employees with reference to category of job, objectives/activities/goals and goodwill of the organization.

Family members above 4 are moderately attracted to join the cooperatives (mean = 3.77 and mean 3.96) where as the family size upto 4 members were slightly attracted to take up the job in cooperatives. It further revealed that all motivating factors, except promotional opportunities and work area located were independent of the family size.



While the opinion regarding satisfaction with the organization due to pay package was analysed making cross tabulation across respondents personnel characteristics with 'yes' or 'no' response to reveal their satisfaction, 62.5% in the age upto 35 years and 82.9% in the age above 40 years were satisfied with present salary. This shows that the satisfaction with present salary is associated with age of the employees. The levels of satisfaction based on caste revealed that 87.5% and 77.8% of the employees belonging to BC and OBC categories were satisfied with their pay package higher than the FC and SC/ST 52.4% category employees. This is significant. This shows that caste is also influencing the satisfaction with pay package.

When the levels of satisfaction of the employees based on the sex was analysed, it showed that majority employees were satisfied with the present salary i.e. 74.0% have expressed their satisfaction with present salary.

The satisfaction of the respondents with present pay package is compared based on job/family related characteristics. The analysis revealed that 84.4% of Senior Inspectors, 81.8% of Cooperative Officers, and 76.2% of Deputy Registrars reported that their satisfaction was more when compared to the Junior Inspectors.

The level of satisfaction is found to be independent of the marital status and 64.5% of the respondents were found to be satisfied with present benefits provided by the organization.

When the satisfaction with present benefits was analysed based on the educational qualification, it was found that 83.3% of the employees with graduation and 55.9% with post graduate degrees were satisfied with present benefits. Where as majority of the Junior Inspectors were not satisfied with present benefits. All together (totally) it was found that cooperative employees' satisfaction with present benefits differ by educational status and job status.

When the level of satisfaction of the employees and their commitment to the organization was analysed based on the performance appraisal system it was found that 53.8% of the employees reported that they were satisfied and 46.2% reported that they were not satisfied with performance appraisal system. This shows that their level of satisfaction is moderate. It is further found that the performance appraisal system in cooperatives was not prominent and the opinion of the respondents differs by designation, present position and type of cooperative sector in which they are presently employed.

Career planning and career development in the cooperative sector was analysed to find out the growth of the employees, their level of motivation and improved performance and the benefits available to them and to their organization. It was analysed based on their designation, present position and type of sector. It was found that majority of the respondents irrespective of the cadre reported that the formal career planning system was not followed in the department. 64% strongly disagreed and said no career planning system was adopted for the better prospects of employees.

When status of promotional avenues in the cooperative sector was analysed, it was found that 59.4% of the Junior Inspectors have perceived it as 'not better' while 55.2% of Cooperative officers, 54.67% of Senior Inspectors and 71.4% of Deputy Registrars have perceived the same as 'better'. It was found that majority of the high level employees perceive that promotional opportunities were better but a majority of the middle and low level employees perceive that the chances for promotion is not better in cooperatives.

While the impartiality in implementing the promotions were analysed and it was found that 78.8% of the employees accepted that it was impartial and their views were significant.

When the opportunities for self development was analysed it was found that the cooperative employees were not sure about the availability of opportunities for self development and promotions in the cooperative sector in Pondicherry and the differences in their perception were significant.

When the satisfaction of the employees with regard to the promotional policy was analysed, it was found that Deputy Registrars, Junior Inspectors, and Senior Inspectors were satisfied (71.4%, 68.2% and 84.4% respectively). Where as 51.7% of the Cooperative Officers were not satisfied and the difference is significant at 5% level.

When the training and development programme for the career development of employees were analysed with job/organization characteristics it was found that 87.5 percent of the employees affirm that there were chances for it. When the status of the training programmes were analysed it was found that only 36.3%, 33.0% and 22.0% have perceived that the training programmes were very good, good and satisfactory respectively and 61.5% of the respondents have attended the training programme conducted by the cooperative training institute in Pondicherry.

Payment of incentives for the trained personnel was not widespread. 90.6% of the respondents said that only the training cost and duty leave was the incentive received by the employees for the training they underwent. On the whole, it was found that the cooperatives in Pondicherry Organizes Training Programmes for career development and make them committed to their work.

While the adoption of reward system in cooperatives was analysed 57.7% of the respondents reported that there was no reward system in the cooperative sector except the salary paid.

The Job satisfaction of the employees in cooperatives sector in Pondicherry was analysed in the sixth chapter using 22 job related characteristic in a questionnaire with the value ranging from 1 to 5 point. The responses were subjected to reliability/item analyses by calculating Cronbach alpha coefficient. In the item analyses the total correlation value for promotional opportunity was shows the lowest (0.2768) and others were more than 0.30. When the alpha value was calculated by removing the lowest item which do not increase the overall alpha value remarkably it was considered as consistent and reliable.

It was further subjected to factor analysis to ascertain as to which factor determine the job satisfaction. Eigenvalue factors of job satisfaction were measured and it was found 77.92% to total variance. The factor loadings of actual variables with extracted factors for the 22 items were measured and the score for the valid factors were obtained by averaging the scores of the variables that are highly loaded. The analysis revealed that five major aspects of the job like interpersonal relationship, salary and benefits, working condition, job security and status and job environment were giving job satisfaction.

When the average scores were compared across respondent categories with general characteristics such as age, sex, marital status, religion, caste, educational status, designation, present position, family size, place of residence, and the type of the sector and the results were tested, it was found that employees of all age groups were satisfied with their job, but their level of satisfaction with salary and benefits, job security/job status and job environment was significantly different influenced by age.

The analysis further shows that the level of satisfaction with all job related aspects except job security/job status is independent of the gender of the employees in cooperative organization. The results further show that there is no relationship between marital status and job satisfaction of the employees of Cooperatives in Pondicherry.

The job satisfaction of the cooperative employees was not influenced by their religion and caste. It also showed that the results of the degree of job satisfaction were independent of the caste of the employees in the cooperative organization. Educational status influence on job satisfaction reveals that the job satisfaction with all aspects except salary and benefits were influenced by the educational status of the employees. The results of job satisfaction based on designation revealed that higher level of job satisfaction was found among the employees in the cadre of the Deputy Registrars than the others. There is a significant difference in the levels of job satisfaction among employee groups based of their present position.

There is no relationship between family size and job satisfaction of cooperative employees. Similarly the places of residence also do not have any relationship with job satisfaction. The analysis of job satisfaction based on the type of sector with salary and benefits and job security/job status vary significantly with the type of sectors.

It may be concluded that the employees in the co-operative organisation are found to be satisfied with interpersonal relationship, salary and benefits, working condition, job security and job status and job environment. But their level of satisfaction with most of the aspects of job related characteristics differ by age, educational status, designation, present position and the type of cooperative sector.

The attitude of the respondents towards Human Resource Management Practices in cooperative sector was analysed in Chapter VII for which 12 statements were framed in the questionnaire. The reliability test was conducted using cronbach alpha coefficient to find out the consistency of the statements used for measuring the values of the employees towards their job. Eigenvalues of factors was calculated to find out the influencing practices. Accordingly **four different practices** were found to be adopted as Human Resource Management Practices in cooperative organizations in Pondicherry.

The factor loadings i.e., correlation of each statement with extracted factors was worked out to find out which factor has high loadings and it was clear that the mode of ascertaining variables in this cooperative organization was not systematic, and the selection which was undergone by employees were good.

After Varimax rotation the factors were worked out across employee groups with different socio-economic characteristics to compare their attitude towards Human Resource Management Practices in cooperatives in Pondicherry.

When the organizational commitment was analysed in detail, it was found that there were **three main types** of organizational commitment-namely affective, continuance and normative.

The organizational commitment of the employees of the Cooperatives in Pondicherry was measured by collecting data through issue of a questionnaire in 5 point scale. The questionnaire was consisting of 15 items adopted from Allen and Mayer and the level of agreement or disagreement for the questions by the respondents were measured through mean score of the responses, which were classified as excellent, good, acceptable, questionable, and unacceptable. The data was submitted to the principal component/factor analysis with Varimax rotation.

The analysis has shown, that they have **normative commitment** for 3 items in the questionnaire namely :

1. I wanted to be a person of integrity to my organization
2. I feel satisfied in participating in the organizational activities other than my personal works and
3. I pay attention to the facts of my organization.

The employees have **continuance commitment** for the items like:

1. If I am offered high pay in other organization, I will quit this organization.
2. Do you feel going out of the organization when you get a better job.

The employees were **having emotional commitment** to the Cooperatives in Pondicherry for the following items:

1. I am very much attached to my organization emotionally
2. Do you feel that this is the best organization to work for
3. I am encouraging to known persons whom I like to join this organization.

The employees have **high sacrifice commitment** for the following items:

1. Both my value and the organizations values are similar
2. I do not agree always with the policies in this organization
3. Other than my organizational works, I have other more important activities more important.
4. I speak alternatively about my organisation to my friends, relatives etc.

The employees have **affective commitment** to the following items :

1. I talk and feel that all problems in the organization are my problems.
2. I do not like others to speak wrong about my organization and
3. I feel personal of department/organization.

The commitments were analysed **age wise** it was found that the opinion were significantly associated with normative commitment, continuance commitment and affective commitment at 5 and 10 percent levels.

It further revealed that the marital status have significant influence with normative commitment and emotional commitment.

**Religion** has significant influence only with the normative commitment.

The educational status has significant influence only on the continuance commitment.

The designation has significant influence on all the types of commitment except on high sacrifice commitment.

The present position of the employees has significant influence on the normative, continuance and emotional commitments.

Family size has significant influence only on the emotional commitment.

The multiple regression analysis conducted on stepwise basis to find out the impact of socio-economic, job satisfaction variables and HRM practices revealed that marital status, religion, designation, place of residence, job security status and performance appraisal system have significant influence on **normative commitment**.

The same analysis conducted to find out the impact of the same factors on **continuance commitment** have shown education, place of residence, have positive influence and present position have the negative influence.

The analysis carried out to find out its impact on **emotional commitment** showed, family size, working condition, job security and status and performance appraisal system have significant positive influence and the place of residence have significant negative influence on it.



The analysis conducted to find out the factors influencing on the **affective commitment**, reveal that job security and status, job environment Performance Appraisal System have significant positive influence. The recruitment practices and training and development have significant negative influence on it.

The analysis carried out in Chapter-VIII pertaining to the growth and performance of the Cooperative Organisations in Pondicherry as an outcome of the organizational commitment and HRM practices showed that the number of societies have grown from 467 in the year 1999-2000 to 514 in the year 2007-2008. On an average it was 494 in a year during this period. It had a linear growth rate of 6 societies per year during the period under study. This growth rate had been significant at 1 percent level.

In the same way the membership have increased from 4,35,622 in the year 1999-2000 to 5,48,350 in the year 2007-2008. The number of members were on an average 4,67,735 in a year during this period. The linear growth rate of the members was 23,734 per annum and this growth rate was significant at 1 percent level.

The paid up capital contributed by the members, societies and other agencies have grown from Rs.9224.69 lakhs in the year 1999-2000 to Rs.21,942.19 lakhs. The average annual paid up capital was Rs.14,876.35 lakhs. The linear growth of the same was 1816.46 lakhs per annum. This growth rate was significant at 1 percent level.

In the same way the working capital have been growing from Rs.21,345.25 lakhs in the year 1999-2000 to Rs.1,19,850.93 lakhs in the year 2007-2008. On an average, the working capital of the Cooperatives in Pondicherry was Rs.74,008.07 lakhs in a year during this period. It had a linear growth rate of Rs.11,894.30 lakhs per annum during this period. This growth rate was significant at 1 percent level.

The trend analysis carried out to measure the growth of the number of employees, have shown that it had grown from 5125 employees in the year 1999-2000 to 5841 in the year 2007-2008. On an average, they were 5470 per annum during this period. The employees had a compound annual growth rate of 2.30 employees per annum.

The trends in the growth of the salary and wages have shown that it had grown from Rs.2646.43 lakhs in the year 1999-2000 to Rs.6965.67 lakhs in the year 2007-2008. On an average the expenditure to the Cooperatives on the salary and wages was Rs.4388.57 lakhs per year during this period. It had a compound annual growth rate of 15.88 lakhs per annum and the linear growth rate was Rs.64,243 lakhs per annum and this is significant at 1 percent level.

The performance is also measured in terms of profits earned by any organization or from the losses from which it has suffered. The analysis revealed that the profits had been showing a fluctuating trend. It was Rs.245 lakhs in the year 1999-2000 and has grown upto Rs.296 lakhs in the year 2004-2005. On an average the profit was Rs.267.13 lakhs per annum. Its compound and linear growth rates were 1.66 lakhs and Rs.4.32 lakhs per annum respectively.

During the same period the Cooperatives in Pondicherry have suffered from losses and the losses had been ranging from Rs.222 lakhs in the year 1999-2000 and Rs.248 lakh in the year 2006-2007. On an average the losses were Rs.226.50 lakhs. It had the compound and linear growth rates like 0.73 lakhs and 1.74 lakhs per annum respectively. **In all these years the profits earned are more than the losses** from which they have suffered. All these positive aspects have shown that there have been improvements in the organizational commitment from the employees, which have helped to improve the Performance of the Cooperatives in Pondicherry.

The Union Territory of Pondicherry consists of Four Regions namely Pondicherry, Karaikal, Mahe (in the conclave of Kerala) and Yanam (the conclave of Andhrapradesh near Kakinada).

Apparently the analysis revealed that there were on an average 357 societies in Pondicherry, 83 Societies in Karaikal, 24 societies in Mahe and 30 societies in Yanam. The number of societies was showing increasing trend in Karaikal, Mahe and Yanam and the linear growth rate were significant at 1 percent level. These regions having less number of populations and as such number of societies now almost reached the maximum.

The novelty in the Cooperative Institutions in Pondicherry and Mahe are that they are running educational institutions like the teacher education school in the Pondicherry region and a Teacher Education College (B.Ed.) in Mahe.

The impact of the HRM practices were evaluated by taking 12 practices/ variables under four headings like recruitment practices, training and development, performance appraisal and recognition and reward. The 12 practice variables were submitted to cronbach reliability test and there after it was analysed using factor analysis/factor loading also adopting varimax rotation concept.

The analysis revealed that the two factors namely:

1. The selection process which I underwent was good
2. The mode of ascertaining vacancies in this organization was not systematic, were the prime factors which the employees have found with reference to the **Recruitment practices**.

The second important factor weighed the commitment of the employees with reference to Recognition and rewards were:

1. I do not get the importance that I deserve
2. Promotions denied
3. Subordinates are not cooperative in this organisation.

In the same way the factors which have weighed more in influencing the **performance appraisal** were:

1. The feeling of I have been given the right designation according to my job.
2. Training is important in my organization to develop as a managerial person.
3. By joining the organization, I get a feeling over the years that I have developed myself to a considerable extent.
4. I believe that I am making a meaningful contribution to this organization through my work.
5. Employees who do good work are adequately rewarded.

The commitment of the employees as measured through the **training and development (HRM practices)** were influenced by the factors like:

1. Training programmes which I have attended through this organization have not been any use to me so far.
2. This organization is always serious about selecting the right person for the right job.

When the mean scores were calculated for the purpose of finding out the status of the HRM practices, it revealed that the recruitment practices and the performance appraisal practices were **better** in creating organisational commitment when compared with the other factors like recognition, and reward, training and development creating **moderate** level.

The analysis carried out taking into consideration the characteristics like age in influencing the attitude of the employees due to the HRM factors reveal that the age is able to influence the attitude through the performance appraisal significantly. Gender was able to influence the attitude through the recognition and reward significantly. Marital statuses do not have any significant influence on the HRM practice to change the attitude. In the same way caste and religion do not have much influence on HRM practices to

change the attitude of the employees. The educational status, present status and designation have influence on the HRM practices to change the attitude only through the performance appraisal.

## **Findings**

From the foregoing analysis, the following **major findings emanate:**

1. The majority of the employees in the Cooperatives in Pondicherry (as per the sample) do not have any knowledge about the existence of the Personnel/HRM Department.
2. The objectives, activities goals and category of the job in the organization have motivated the people to join the cooperative organizations in Pondicherry.
3. With reference to the performance appraisal system the peer appraisal and committee appraisal seems to be the major system of performance appraisal system.
4. In spite of the differences in the opinions of the employees with reference to the impartiality in carrying out promotions, majority have agreed that **there is impartiality in implementing the promotions.**
5. With reference to the criteria adopted for promoting the employees majority is of the view that **seniority is the main** criteria and also some are of the view that **seniority cum merit is the criteria** used for promotion.
6. Majority of the employees are on the view that training programmes and educational courses are conducted for the career development of the employees.

7. **Rewards** given for the efforts put forward have been perceived by majority of the employees as **quite low**.
8. The factors under interpersonal relationship are giving more of job satisfaction and the factors which give job satisfaction due to job environment are second and the factors supporting the working conditions job security and status, salary and benefits are followed next to these factors in giving job satisfaction.
9. Educational status is capable of giving significant level of job satisfaction through 4 out of the 5 contributory factors.
10. Designation is able to significantly contribute to job satisfaction in all the five aspects except the interpersonal relations. The present position is able to significantly influence the job satisfaction through all the five job satisfaction aspects.
11. The items which can contribute to high sacrifice commitment are more followed by the items which contribute to the normative commitment (3 items), affective commitment (3 items), emotional commitments (3 items), continuance commitment seems to be the lowest (only 2 items).
12. Designation is able to contribute to organisational commitment in 4 out of 5 types i.e. except high sacrifice commitment.
13. Present position is able to contribute to normative, continuance and emotional commitments.
14. Educational status is able to contribute to only continuance commitment.

15. Designation, job security and status, performance appraisal, training and development are independent variables which have significantly influenced all the five types of organisational commitment.
16. While measuring the HRM practices which creates changes in the attitude and performance of the employees, the performance appraisal system seems to have changed the attitude through five variables while the others like recognition, reward through three variables and others through only two variables.

### **Suggestions**

Based upon the foregoing findings, the following few **suggestions** are offered for improving the performance of the Cooperative in Pondicherry.

1. The employees have stated that they do not have any idea about the existence of the Personnel/HRM sections, but the subsequent analysis have shown that they appreciate the selection process, training and development programmes, performance appraisal system and hence **the employees have to be educated about the role played by this section** in improving the quality of work life.
2. The objectives, goals and activities of the Cooperative Department and the category of the job have motivated the employees, revealing the commitment of the employees towards the principles of Cooperation and the organizations and hence the department should exploit this factor to the benefit of the organisation and betterment of the employees.
3. The **rewards given** to the employees towards the efforts put-forth by them have been found **quite low** and hence the Cooperative Department in the Union Territory of Pondicherry will have to **adopt suitable reward system** to motivate the employees to work better.

4. The performance appraisal system should be made more prominent for implementing training and development, transfers and postings and also for adopting suitable reward system for making the employees satisfied and committed to the organization and improves the performance.
5. A separate Section/Department like Personnel Department/ Human Resource Management Department may be established for the better **Man Power Planning** and satisfying the employees to make them work better to achieve the goals of these organizations.
6. In the views of the employees, training is given locally and hence it has not been taken seriously by them and hence, they may be given training in different aspects of Cooperation in different specialist institutions in and around the country.

## **Conclusion**

The study on the Human Resource Management in Cooperatives in the Union Territory of Pondicherry have been carried out by evaluating the organisational commitment of the employees based on the demographic characteristics first, then source of recruitment motivational factors influenced the employees to join cooperatives. The employees were motivated based on different factors at different levels. The levels of job satisfaction of the employees due to different factors like pay package, benefits were found that the employees were satisfied at different levels. The study also covered the Performance Appraisal System and the career planning and career development measures adopted by the Cooperatives in giving satisfaction to the employees. The employees have given inconsistent responses to these due to the less popularity of these measures. The promotional avenue giving job satisfaction was found that the top level employees had good avenues, but the Junior Inspectors, Senior Inspectors and Cooperatives officers felt that they did not have many avenues to come up. The employees have responded positively by stating that the promotions were carried out impartially.



Majority of the employees are satisfied with the promotional policy. The rewards given to the efforts put forward were rated by the employees as quite low. More variables were giving job satisfaction through interpersonal relations, job environment, working condition, job environment, salary and benefits at different levels. High sacrifice commitment, emotional commitment, normative commitment, affective commitment and continuance commitments were influenced by different items. The multiple regression analysis have revealed that there were some common factors which were contributing to the above said five commitments.

The HRM practices which were contributing to the changes in the attitude of the employees were the recruitment practices, recognition and reward, performance appraisal and training and development. Out of the 12 variables, used for measuring the changes in attitude through these practice, it has shown the variables coming under performance appraisal, recognition and reward, training and development and recruitment practices have contributed more in the respective order.

To sum up because of the improved organizational commitment, the performance of the cooperatives in the Union Territory of Pondicherry have improved as evidenced in the growth of the number of societies, number of member, increase in paid up and working capital and also increase in the profits. By and large **the HRM practices have created organizational commitment among the employees** in the Cooperative Department in the Union Territory of Pondicherry and have helped to improve the performance including the Pondicherry State Cooperative Bank winning many national awards.

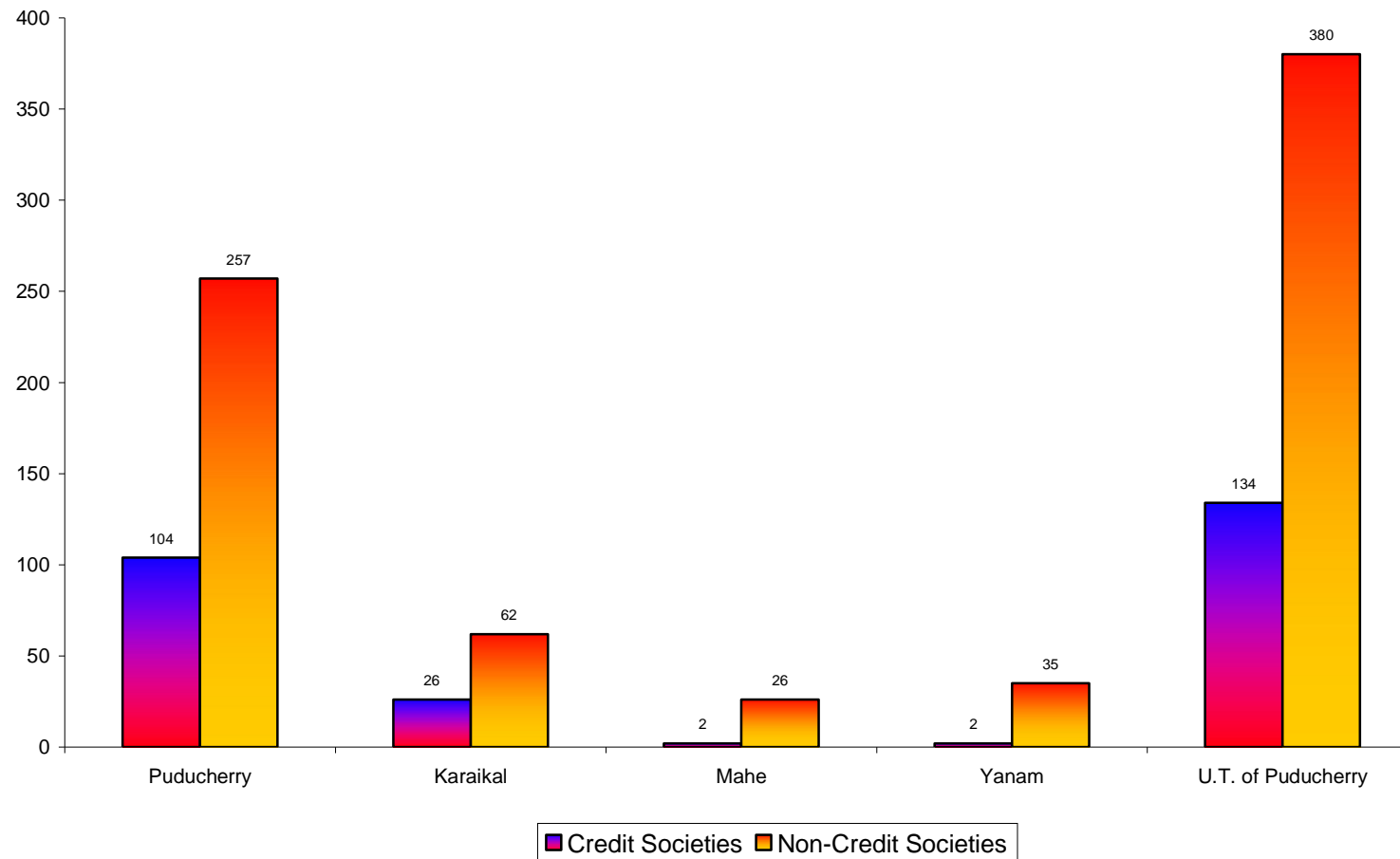
### **Scope for future research**

The present study on Human Resource Management on the organizational commitment and its impact on performance of cooperatives in the Union Territory of Pondicherry were based on the opinions of managerial

employees only. In the course of the study it was observed that there is a lot of potentiality for future research in the area of cooperatives on

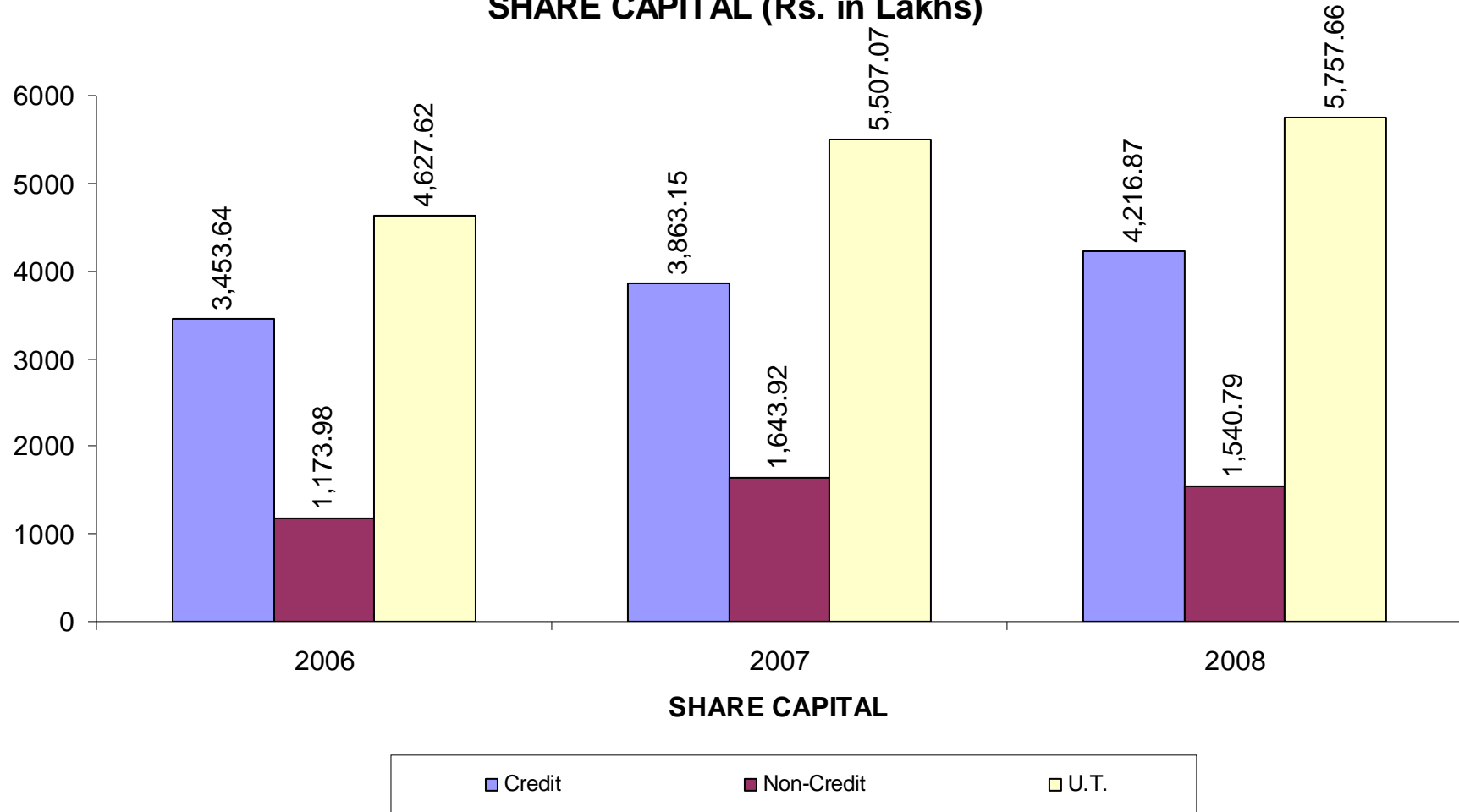
1. The type of the leadership.
2. The commitment of the members to the principles cooperation.
3. Preventive measures for losses of the societies
4. Making the members to realize the goals of their societies/ organization etc., may be the suitable area for further research to make the cooperation to succeed.

## Number of Co-operative Societies in 2007-08-Region Wise



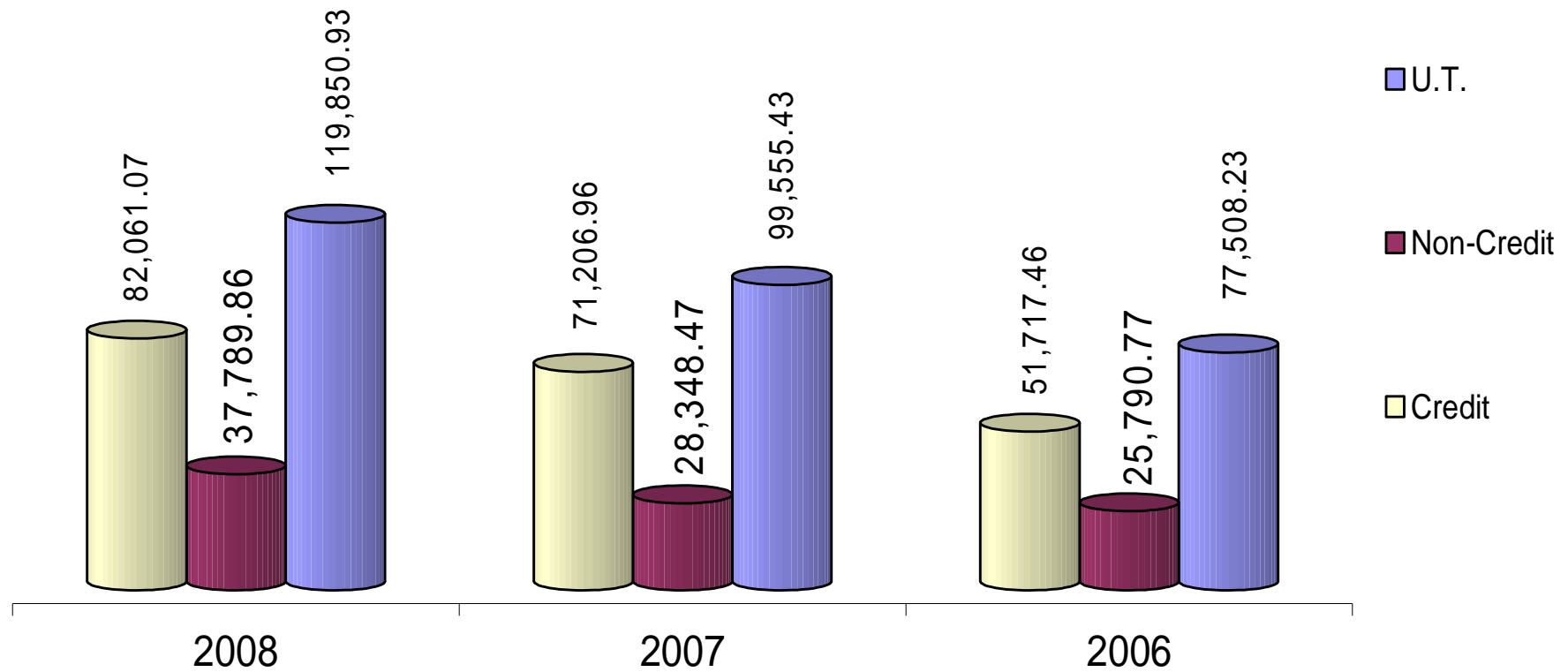
Source : Annual Administrative Report 1998-2008, Cooperative Department, Govt. of Puducherry.

### SHARE CAPITAL (Rs. in Lakhs)



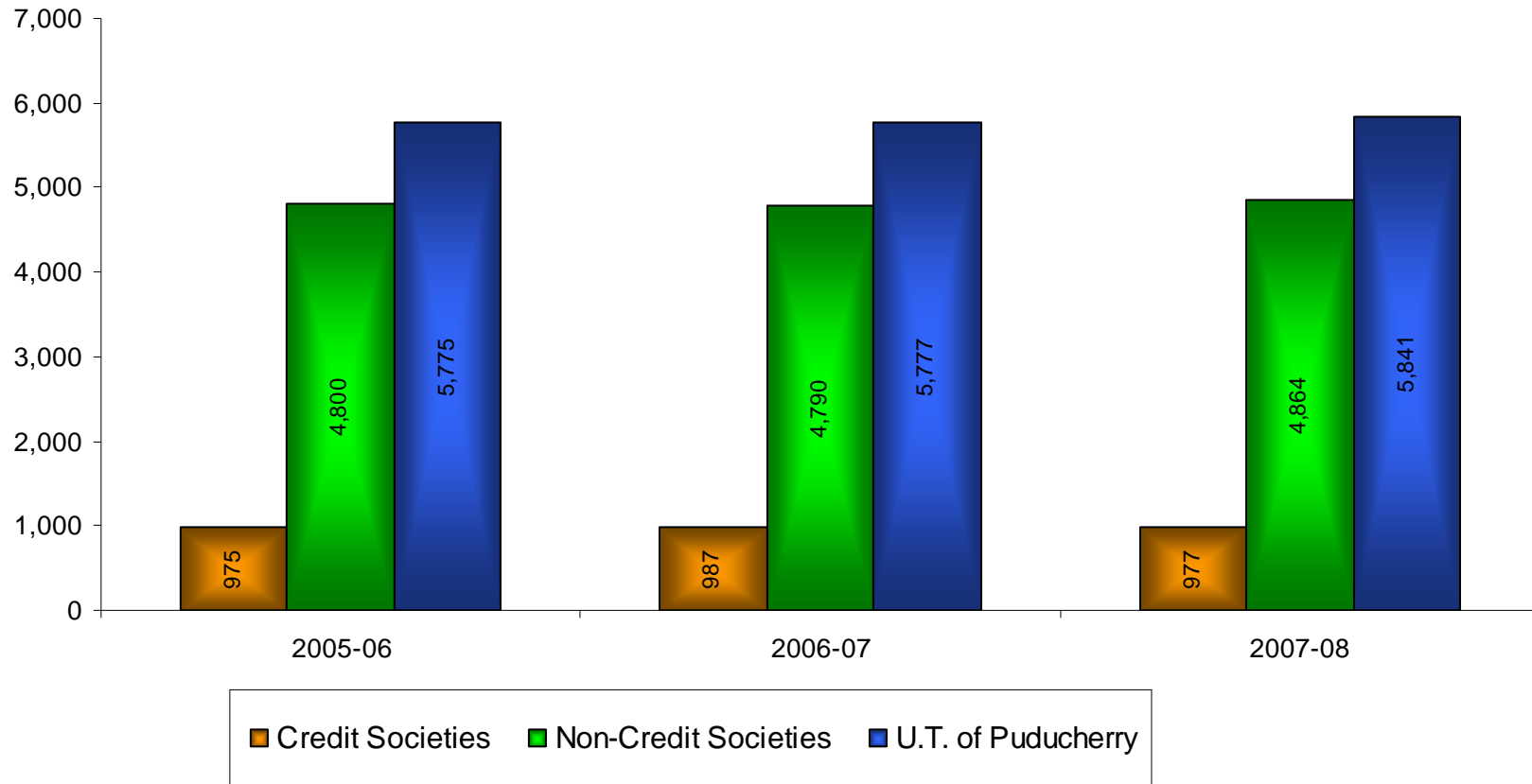
Source : Annual Administrative Report 1998-2008, Cooperative Department, Govt. of Puducherry.

## WORKING CAPITAL (Rs. in Lakhs)



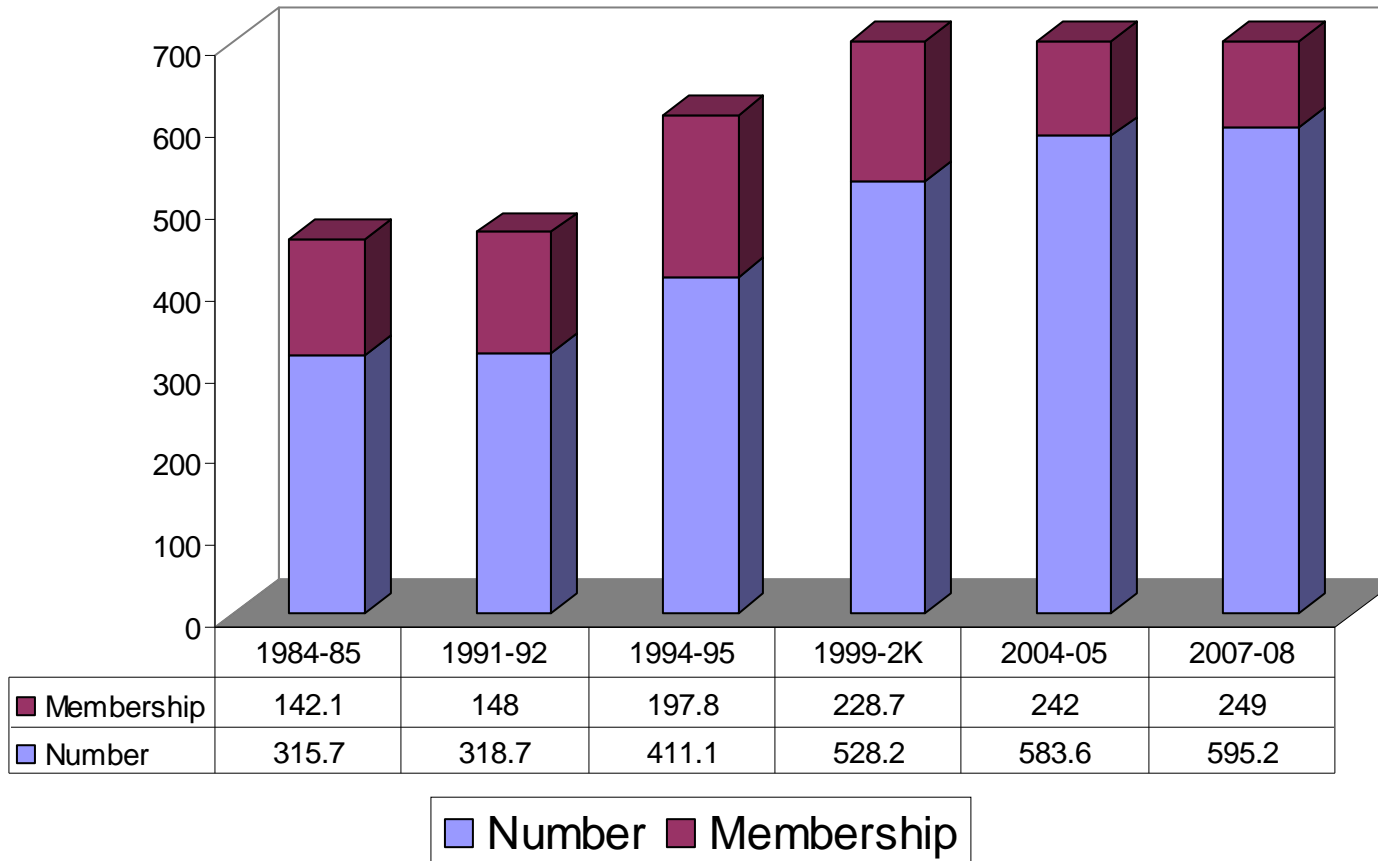
Source : Annual Administrative Report 1998-2008, Cooperative Department, Govt. of Puducherry.

### EMPLOYMENT IN CO-OPERATIVES (in Nos.)



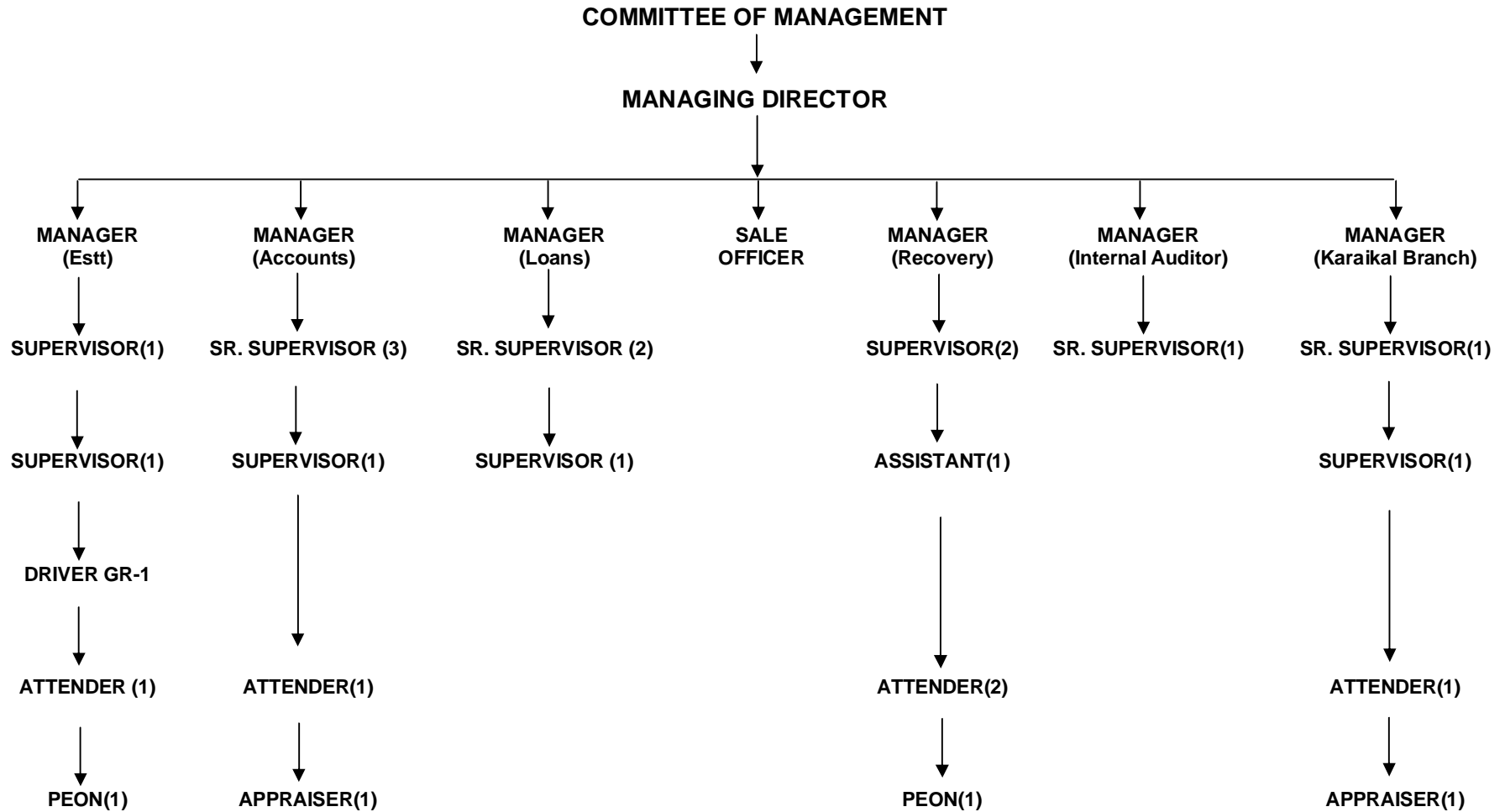
Source : Annual Administrative Report 1998-2008, Cooperative Department, Govt. of Puducherry.

## Growth of Indian Co-operative Movement



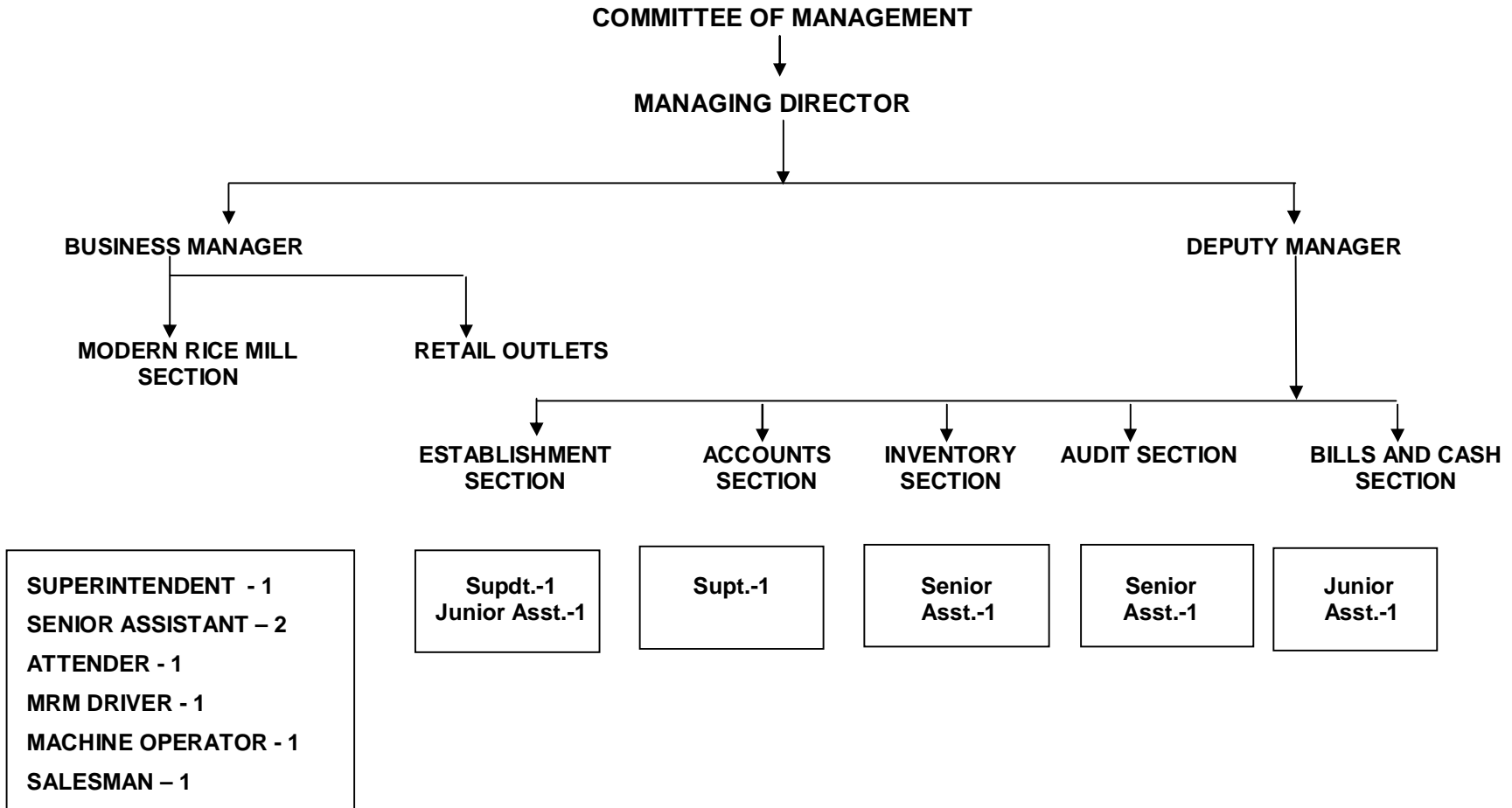
\* Indian Co-operative Movement – A Statistical Profile 2009, Developed by National Resource Centre of NCUI, Page 29.

# ORGANISATION CHART OF THE PONDICHERRY CO-OP. CENTRAL LAND DEVELOPMENT BANK

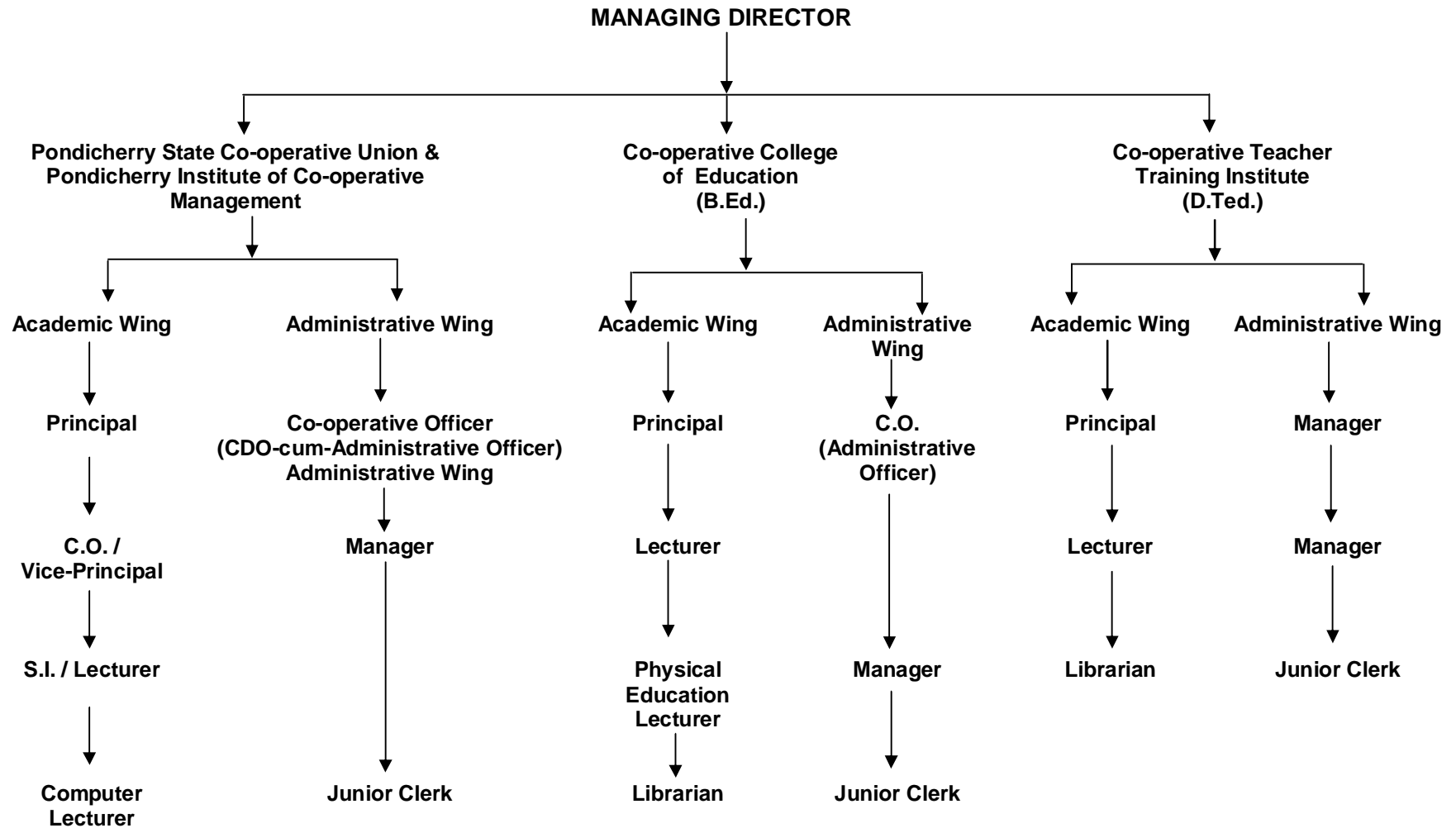




# ORGANISATION CHART OF THE PONDICHERRY CENTRAL CO-OPERATIVE PROCESSING SUPPLY AND MARKETING SOCIETY



# ORGANISATION CHART OF THE PONDICHERRY STATE CO-OPERATIVE UNION



## Appendix

### HUMAN RESOURCE MANAGEMENT

*A Study on the organisational commitment and its impact on performance of Cooperatives in the Union Territory of Pondicherry*

#### QUESTIONNAIRE

##### I. PERSONAL PROFILE

1. Age : a) Below 30      b) 31-35      c) 36-40      d) 40 and above
2. Sex : a) Male      b) Female
3. Marital Status : a) Single      b) Married
4. Religion : a) Hindu      b) Christian  
c) Muslim      d) Other's specify
5. Caste : a) Forward      b) Other Backward Class  
c) SC/ST      d) Backward Class
6. Educational Qualification :  
a) High School      b) H.Sc./Polytechnic  
c) Graduation      d) Post Graduation and above
7. Professional Qualification: If any please specify:  
Engineering/Technology/Veterinary/Management/CA/ICWA/ACS/  
Others.
8. Name of the organization working \_\_\_\_\_
9. Type of Co-operative sector : a) Credit      b) Non-credit
10. Designation : a) Junior Inspector      b) Senior Inspector  
c) Co-operative Officer      d) Dy. Registrar
11. How do you got selected to the present post:  
a) Direct Selection      b) Promotion  
c) Deputation      d) Others
12. Classification of your present position in the Co-operative sector as managerial person : a) Junior Level      b) Middle Level  
c) Senior Level      d) Top
13. Total year of work experience \_\_\_\_\_
14. Years completed in the present place of working \_\_\_\_\_

15. Total no. of years in the present position \_\_\_\_\_
16. How many promotion you have been received in the organization \_\_\_\_\_
17. No. of Organisation worked before joining in this present job \_\_\_\_\_
18. Reasons for leaving previous employment
  - a) Job security
  - b) Better working condition
  - c) Due to Govt. involvement
  - d) Better promotion avenues
  - e) Good incentives
  - f) Others (specify) \_\_\_\_\_
19. Monthly income of your family
  - a) Upto 10,000
  - b) 10,001-15,000
  - c) 15,001-20,000
  - d) 20,001-25,000
  - e) 25,001 and above
20. Present monthly salary in the present position \_\_\_\_\_
21. Size of the family
  - a) Upto 4 members
  - b) 5 to 6 members
  - c) 7 and above.
22. Number of dependent numbers
23. Place of Residence :
  - a) Urban
  - b) Rural
24. Accommodation :
  - a) Own house
  - b) Rented house
  - c) Staff quarters
  - d) Others (specify)

**II. Recruitment and selection, compensation, Performance Appraisal, Career planning and training.**

1. The sources that you have come to know about the vacancy of job.
  - a) Advertisement
  - b) Through Employees
  - c) Employment Exchange
  - d) Direct Applicant
  - e) Others
2. Knowledge about the organization before getting job.
  - a) Nothing
  - b) Little knowledge
  - c) Know very well
3. Internal sources of recruitment in your organization (Pl. Specify)
  - a) Promotion
  - b) Transfer absorption (or) Deputation
  - c) Extension of service after retirement
  - d) Others (Specify)
4. External sources of recruitment.
  - a) Advertisement
  - b) Employment Exchange
  - c) Nepotism (Chairman or Director fill the vacancy according to their discretion)
  - d) Deputation
  - e) Others (specify)

5. Is there a recruitment section (or) personal department in your organization.
  - a) Yes                      b) No
6. The method of selection that you have undergone at the time of your appointment.
  - a) Written test                                      b) Interview
  - c) Both (a) & (b)                                      d) Others (specify)
7. Have you entered into the organization through some other influence.
  - a) Yes                      b) No
8. Have you been appointed through campus interview at the time of education.
  - a) Yes                      b) No
9. Please tick the procedures application at the time of selection.
  - a) Filling up of an application                      b) Performance Test/Physical Test
  - c) Aptitude Test                                      d) Group Discussion
  - e) Referrals (Employee) given                      f) Interview
  - g) Medically examined                                      h) Final selection and placement
  - i) Any other (specify)
10. Motivating factors influenced you to join in this organization. Please tick against each item in the relevant category.

S. No.	Variables	Does not know anything	Not attracted	Slightly attracted	Moderately attracted	Very much attracted
1.	Category of Job					
2.	Salary fixed					
3.	Perks and other benefits					
4.	Guarantee of Job Security Offered					
5.	Promotional Opportunities					
6.	Work area located					
7.	Objectives/Activities/Goals of the organization.					
8.	Goodwill of the organization					
9.	Any other (Specify)					

11. Whether you are satisfied with the present salary you received
  - a) Yes                      b) No

12. Are you eligible for Bonus / Incentives / Allowances  
a) Yes                      b) No
13. If yes, do you get satisfied with what you receive  
a) Yes                      b) No
14. Are you satisfied with the present benefits prevailing in your organization during the time of retirement.  
a) Yes                      b) No
15. Does your organization provide safety and health provisions.  
a) Yes                      b) No
16. Is your organization have a performance appraisal system?  
a) Yes                      b) No
17. If yes, the system followed in appraising is  
a) Management group appraisal                      b) Staff group appraisal  
c) Committee appraisal  
d) Peer appraisal (directly appraise the subordinates and send the reports appraisal directly to top level management)  
e) Any others (Please specify)
18. Performance appraisal followed in your organization for  
a) Promotion and transfer  
b) Determining salary increase  
c) Training and development  
d) Motivate the employees by indicating their performance level.  
e) Any other please specify
19. Different criteria considered in evaluating performance appraisal (please specify) \_\_\_\_\_
20. Whether formal career planning system is adopted  
a) Yes                      b) No
21. If yes, state whether you agree that it really provides better prospects for your development
22. Whether a promotion avenue in your organization is better?  
a) Yes                      b) No

23. Whether impartial promotion were also carried out  
 a) Yes                      b) No
24. Does your organization offers you opportunities for self development and promotion  
 a) Strongly agree                      b) Agree                      c) Undecided  
 d) Strongly Disagree                      e) Disagree
25. The criteria adopted in your organization while promoting to higher level  
 a) Seniority                      b) Merit                      c) Seniority on merit  
 d) Judgement basis (informal)                      e) Others (specify)
26. Do you well satisfied with the promotion policy adopted in your organization  
 a) Yes                      b) No
27. If no. list out your suggestions please  
 \_\_\_\_\_
28. Does your organization organize for training programme or education courses for career development  
 a) Yes                      b) No
29. If yes, state the level of programmes  
 a) Inside organizational programmes                      b) Outside programmes  
 c) Others.
30. If yes, a how many training program that you have attended since joining the organization (please specify)  
 \_\_\_\_\_
31. Have you attended any training programmes  
 a) Yes                      b) No
32. What is your comment about the training programmes you're here attended  
 a) Good                      b) Very good                      c) Satisfactoryd) Not satisfied  
 e) Poor
33. Method of training followed in your organization  
 a) Pre-employment training                      b) Training during the employment  
 c) Both (a) and (b)                      d) Others (specify)

34. How do you train you staff
- a) On the job
  - b) Outside the organization
    - 1. Co-operative training institution      2. Cooperative training colleges
    - 3. VAMNICOM PUNE                              4. Others
35. Any incentive offered to the trained personal
- a) Yes    b) No
36. If yes, what type of incentive
- a) Promotion                                      b) Meeting the training cost and duty leave
  - c) Others (specify)
37. Please ticks the below applicable for the rewards given by the organization for the effort put forward by you
- a) Quite low                                      b) Slightly less                                      c) Just right
  - d) Slightly high                                      e) Quite higher
38. The above rewards when compared with others in my organization
- a) Quite low                                      b) Slightly less                                      c) Just right
  - d) Slightly high                                      e) Quite higher



### III. Organisational Commitment

Given below are a few statements related to organizational commitment each of which you may agree or disagree with depending on your own personal evaluation of your present job. Please indicate the level of your agreement or disagreement with each of the following statements by putting a tick (✓) mark in one of the five blanks representing the answer categories, that appear against the statement. Please do not omit any statement.

S. No.	Statements	Answer Categories				
		Strongly Agree	Moderately Agree	Neither Agree Nor disagree	Moderately disagree	Strongly disagree
1.	I feel proud of my Department					
2.	I speak alternatively about my organization to my friends relatives etc.,					
3.	I stand encouraging to a known person who like to join in the organization					
4.	I feel satisfied in participating the organizational activities other than my personal works					
5.	I don't like others to speak wrong about my organization					
6.	Whether you feel going out of the organization when you get better job					
7.	Or else you feel this is the best organization to work for					
8.	I am very much attached to my organisation emotionally					
9.	I wanted to be a person of integrity to my organization					
10.	I talk and feel that all problem in the organizations are my problems					
11.	I pay attention about the facts of my organization					
12.	If I am offered high pay in other organization, then I will quit this organization					
13.	I don't agree always with policies in this organization					
14.	Other than my organizational works, I have other activities more important					
15.	Both the values (mine and organization) are similar					

What are you plans for staying with this organization / Please tick one of the following answers :

- a) I intended to stay until I retire
- b) I will leave only if an exceptional opportunity turns up.
- c) I will leave if something better turns up.
- d) I intend to leave as soon as possible.

**IV.** Given below are several expectations which employees are likely to have about their employment. Read all of them and choose FIVE of them which you consider are most important to you personally. Rank these from 1 to 5 so that '1' indicated high importance and '5' indicates low importance. Please write the ranks in the space provided to the right of each item. Rank only the FIVE items chosen by you.

SI.No.	Support Co-firm Subordinates	Rank
1.	Salary / Wages	
2.	Employment bonus perquisites	
3.	Job security and promotion	
4.	Personal Involvement/Interaction	
5.	Work environment / transportation	
6.	Organisational status	
7.	Opportunity to associate yourself with superiors	
8.	Important of your job in your organization	
9.	Good infrastructure	

**V.** Please indicate the level of your satisfaction or dissatisfaction with each of the following aspects of your employment offered to you by your organization. Put tick (✓) mark against the relevant category of response.

S. No.	Variables	Response				
		Extremely Satisfied	Moderately Satisfied	Neither Satisfied Nor Dissatisfied	Moderately Dissatisfied	Extremely Dissatisfied
1.	Salary					
2.	Promotional opportunity					
3.	Comfortable physical and work at no where					
4.	Opportunity to participate in making decisions					
5.	Support and co-operation from superiors					
6.	Importance of your job in your organization					
7.	Perquisites/allowances/other benefits					
8.	Opportunity to utilize your idea and knowledge and skills					
9.	Variety in job					
10.	Association with superiors					
11.	Support and co-operation from subordinates					
12.	Status of your organization					
13.	Security					
14.	Chance to improve the knowledge and skills					
15.	Challenges to meet in job					
16.	Freedom to work					
17.	Status of job as considered by friends/relatives					
18.	Satisfaction in your work					
19.	Job satisfaction					
20.	Expectations					
21.	Hygiene					
22.	Motivators					

**VI.** Given below are some statements expressing your feelings or attitude towards your job or organization. Consider each statement carefully. Please indicate the level of your agreement or disagreement with each statement by putting tick (✓) mark against the appropriate answer categories. In any statement is 'Not Applicable' against that statement.

S. No.	Statements	Answer Categories				
		Strongly Agree	Moderately Agree	Neither Agree Nor Disagree	Moderately Disagree	Strongly disagree
1.	The mode of ascertaining vacancies in this organization is not systematic					
2.	The selection procedure which I went through was very good					
3.	This organization is always serious about selecting the right person for the right job					
4.	Training is important in my organization to develop as a managerial person					
5.	The training programmes which I have attended through this organization have not been of any use to me so far					
6.	Joining the organization I get a feeling over the years that I have developed myself to a considerable extent					
7.	Employees who do good work are adequately rewarded					
8.	Promotions are denied					
9.	I have been given the right designation according to my job					
10.	I believe that I am making a meaningful contribution to this organization through my work					
11.	I do not get the importance that I deserve					
12.	Subordinates are not cooperative in this organisation					

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