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 thereby 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.¹

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.² As Storey (1989)³, 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 analyze 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.”⁴
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)\(^5\) 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.\(^6\) 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.\textsuperscript{7}

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 7th 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 lifetime, 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.\textsuperscript{8}

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. A part 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.\(^9\)

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.\(^10\)

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.\(^11\)

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.12

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 viability 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.”13

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.  

(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.

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.

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 it is 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.\textsuperscript{17}

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.\textsuperscript{18} 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 characteristic of the Human Resources i.e. competence and attitude. Attitude of people depend 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.”\(^\text{19}\)

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.”\(^\text{20}\) 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.” 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. Further, it is said as the processes that account for an individual’s intensity, direction, and persistence of effort toward attaining a goal.

4. **Attitudes:** Attitudes are learned predispositions towards aspects of our environment. They are positively or negatively directed towards certain people, service, or institutions. 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.”

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.

**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.

- **H1** managerial cadres in credit cooperatives are not motivated.

- **H2** job satisfaction of managerial staff do not depend upon the quality of work, work environment and incentives, and the recruitment and selection methods.

- **H3** 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\(_1\) Recruitment and selection
- IV\(_2\) Salary Administration
- IV\(_3\) Training and Development
- IV\(_4\) Performance Appraisal
- IV\(_5\) Transfer policy

**Motivational Variables**
- IV\(_1\) Type of job
- IV\(_2\) Job security
- IV\(_3\) Promotion prospects in the job.
- IV\(_4\) Monetary benefits and perks
- IV\(_5\) Organizational objectives / Goal
- IV\(_6\) Reputation of the organization

**Job Satisfaction Variables**
- IV\(_1\) Type of the job itself
- IV\(_2\) Security in the job
- IV\(_3\) Challenges in the job
- IV\(_4\) Knowledge and skills required to do the job
- IV\(_5\) Quality of work life

**Attitude of the Managers (V.\(_4\))**
- IV\(_1\) Personal Involvement
- IV\(_2\) Recruitment and selection process
- IV\(_3\) Training and working conditions
- IV\(_4\) Nature of the work
- IV\(_5\) Working environment
Expectations of the Managers ($V_5$)

$IV_1$ Job security and opportunity for advancement in the job.

$IV_2$ Salary

$IV_3$ Perquisites

$IV_4$ Status in the Organization

$IV_5$ Importance in one's job

Emotional Attachment ($V_6$) - Toward the job

Working Environment ($V_7$)

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:

$OC = f (V_{1HRM} \times V_2 \text{ Motivational Factors} \times V_3 \text{ Job Satisfaction} \times V_4 \text{ Attitudinal Variables} \times V_5 \text{ Expectations of Executives} \times V_6 \text{ Emotional Attachment} \times V_7 \text{ Working Environment})$

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:

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

In these societies, the employees are in the cadre of D.y. 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 D.y. 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 D.y. 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 D.y. 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 15th June 1955 and started its working from 11th 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 D. 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 27th 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 analysation**

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 **ninth 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.
REFERENCES


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