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.

I Functional aspects of Human Resource Management

I.1 Man Power Planning

Stainer\(^1\) (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)\(^2\) 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)\(^3\) 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)\(^4\) 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)\(^5\) 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)\(^6\) 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)\(^7\) 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)\(^8\) 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.

### 1.2 Recruitment and Selection

Rudrabasavaraj (1970)\(^9\) 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)\(^10\) has observed that those who can not be absorbed elsewhere, join the co-operative sector.

Rao (1982)\(^11\) 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)\textsuperscript{12} 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)\textsuperscript{13} have stated that a carefully planned and implemented recruitment programme is a good sign of effective management.

1.3 **Training and Development**

Pandey (1975)\textsuperscript{14} 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)\textsuperscript{15} 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)\textsuperscript{16} has suggested that training for personnel managers should be directed towards attitudes and beliefs underlying managerial philosophy and their inter-relatedness.

Nanda Kumar (1992)\textsuperscript{17} 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)\textsuperscript{18} 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)\textsuperscript{19} 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)\textsuperscript{20} 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.

\subsection*{1.4 Salary Administration}

The Open Asian Conference on Co-operative Credit and Financial Management (1977)\textsuperscript{21} 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)\textsuperscript{22} 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)\textsuperscript{23} 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)\textsuperscript{24} 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)\textsuperscript{25} 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)\textsuperscript{26} has stated that Performance Appraisal systems are very widely used all over as an effective mechanism to manage human resources.

Bevan and Thompson (1991)\textsuperscript{27} have stated that a distinguishable feature of performance management is its integrating strength in aligning various process with corporate objectives.

Jagadeesh (1998)\textsuperscript{28} has observed that an effective performance appraisal system can lead to improvement in Quality and Productivity.

Dale S. Beach (1980)\textsuperscript{29} 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)\textsuperscript{30} 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)\textsuperscript{31} says that it is an objective assessment of an individuals performance against well defined benchmarks.
II.2 Job Satisfaction

Ronan (1970)\textsuperscript{32} 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)\textsuperscript{33} job satisfaction is a feeling occurring out of different conditions within a job and outside the job.

Daftuar and Prasad (1986)\textsuperscript{34} 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)\textsuperscript{35} 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)\textsuperscript{36} 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)\textsuperscript{37} 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)\textsuperscript{38} 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)\textsuperscript{39} has found that rewards and penalties are the basic factors that induce individuals to work for an organization.

Hemavathi (1990)\textsuperscript{40} 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)\textsuperscript{41} has observed that qualified employees should be properly motivated by giving them higher grade promotion and increment.

Anilkumar (1995)\textsuperscript{42} 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)\textsuperscript{43} 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)\textsuperscript{44} 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) has observed that people in low status occupations are thought to have little commitment, whereas people in high status occupations should be more highly committed.

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

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

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

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

Staw (1976) has stated that negative consequences may actually cause decision makers to increase their commitment.

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

Aryeh (1978) has indicated that workers with high Protestant ethic tend to express high moral commitment, while those with low ethic tendency express low moral commitment.

Mowday, Steers and Porter (1979) 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) have stated that supervisory relation and interpersonal trust are positively related to organizational commitment.

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

O’Reilly and Caldwell (1981) have shown that job choice decision and expectation of an employee can affect his future attitudes and commitments.

Padaki (1982) 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) 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) has found a significant and positive relationship between overall organizational climate and organizational commitment.

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

Balaji (1984) 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)\textsuperscript{62} 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)\textsuperscript{63} has found that professionals have organizational commitment than non-professionals.

Raju and Srivastava (1986)\textsuperscript{64} 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)\textsuperscript{65} 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)\textsuperscript{66} 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)\textsuperscript{67} 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)\textsuperscript{68} have stated that work involvement is positively related to job satisfaction, job involvement and organizational commitment.

Romzek (1989)\textsuperscript{69} has pointed out that committed employees are more satisfied with their career prospects within their organization.
Mathiew and Kohler (1990) 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) 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) 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) 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) have observed that highly motivated employees feel more committed to their organization than those who are less motivated.

Brockner, Taylor and Schneider (1992) 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) 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)\textsuperscript{77} have held the view that commitment and satisfaction such contribute uniquely quickly to the turnover process.

Besser (1993)\textsuperscript{78} 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)\textsuperscript{79} has indicated that stronger organizational commitment is associated with greater satisfaction with the job, salary and career structures.

Sayeed (1994)\textsuperscript{80} 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)\textsuperscript{81} 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)\textsuperscript{82} 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)\textsuperscript{83} have found a strong relationship between organizational commitment and its facets or facts of organizational stress and job satisfaction.
Sharma (1997)\textsuperscript{84} has indicated that situational factors, contribute more to organizational commitment than person related factors.

Biswas (1998)\textsuperscript{85} 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)\textsuperscript{86} 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)\textsuperscript{87} 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)\textsuperscript{88} 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)\textsuperscript{90} 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) 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) in her doctoral study suggested that there should be a separate full-fledged department for the management of human resource.

Srinivasan (1985) 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) 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.
REFERENCES


