

# A Study on the Role of Human Resource Management Practices on the Business Performance of Dindigul District Cooperative Milk Producer Union Ltd

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**Abstract** - Cooperative organization success depends upon the people who are working in the organization. If there are no human resource management practices, then the organization always faces difficulties and cannot perform in a competitive society. Human capital, at times, is irreplaceable. Employee participation encourages the employees it boost the employees in an organization. It plays an essential role in the cooperative organization. The ever-changing technological developments, customer expectations, severe competition, quality consciousness, and globalization forces have necessitated a reorientation of the Cooperatives to compete and survive in a competitive environment. The goals of Cooperatives can be achieved through effective adjustment of human resources allocations, forecasts, Recruitment, training and Development, and performance appraisal and compensation management. In the cooperative sector, the HRM has assumed special significance in recent times. In the tiny primary cooperatives where the employment is confined to a few people, the relationship is bound to be informal and personalized. The purpose of the study was to investigate the relationship between Human Resource management practices and the Business performance of cooperatives. The Business performance that serves as variables of the study is in the broad HRM Practices area of Business performance. Hence this study is undertaken to study the role of Human Resource Management Practices on the Business Performance of Cooperatives in Dindigul District.

**Index Terms** - Business Performance (BP), Correlation analysis, Human Resource Management Practice (HRM), Human Capital (HC), Performance Appraisal (PA), Recruitment and Selection, Training and Development.

## 1.INTRODUCTION

Organizational performance is the overall growth of an organization. Human Resource is the most important asset in any organization. Every organization must manage their employees effectively and efficiently. *Armstrong (2009)* Defines Human Resource Management (HRM) as a strategic and coherent approach to managing an organization's most valued assets; that is, the people working there who individually and collectively contribute to the achievement of its objectives. Human resources play a vital role in any organization. It, thus, requires the considerable attention of the management so that employees can work up to their full potential. Human Resource means individuals or staff or workforce within the boundary of an organization they are responsible for performing the tasks assigned to them and they aim to meet the organization's objectives and make a profit. Cooperative organization success depends upon the people who are working in the organization. In the presence of a competitive environment, the success of any organization depends upon the capabilities and the caliber of their Human Resource and their programs and practices. If there are no human resource management practices, then the organization always faces difficulties and not able to perform in a competitive society. Human capital, at times, is irreplaceable. Despite this enormous importance of human capital, organizations don't pay attention to their employees. An organization should consider its employees' valuable assets as an employee's contribution to the organization will help it achieve its vision and mission. The capabilities and skills of human resources help the organization in surviving in a competitive environment. However,

HRM practices can affect employee motivation by encouraging them to work both harder and. Employee participation encourages the employees it boost the employees in an organization. It plays an important role in the cooperative organization. The ever-changing technological developments, customer expectations, severe competition, quality consciousness, and globalization forces have necessitated a reorientation of the Cooperatives to compete and survive in a competitive environment. The goals of District Cooperative Milk Producer Union can be achieved through effective adjustment of manpower allocations, forecasts, Recruitment, training and Development, and performance appraisal and compensation management. The quality of an institution is in direct proportion to the quality of human resources available. In the cooperative sector, HRM has assumed special significance in recent times. In the tiny primary cooperatives where the employment is confined to a few people, the relationship is bound to be informal and personalized.

## 2. STATEMENT OF THE PROBLEM

HRM has made significant inroads in the District Cooperative Milk Producer Union. It is common to see large organizations set up a whole department for the sole purpose of managing human resources and hire experts in the field to be in charge of HRM. The enormous benefits of properly managing human resources cannot be overemphasized. However, the majority of the Cooperative sectors are yet to catch the „HRM cold“. Inappropriate HRM policies and practices of some of these cooperatives can be attributed to the non-existence of HRM specialists or HRM departments. Research has established a positive relationship between an organization’s HRM practices and performance significantly. Most of this District Cooperative Milk Producer Union do not realize the impact of properly managing their human Resource. They therefore leave policies in the hands of line managers and board of directors who are non-HRM experts to implement or enforce strategies, policies, processes, programmes, and practices. The value of properly managing human resources is lost to the cooperatives. Human Resource Management is extremely important for Cooperatives, especially because cooperatives are a service sector. Management of people and management of risk are

two key challenges facing the District Cooperative Milk Producer Union. How you manage the people and how you manage the risks determines your success in the business. Hence, human resource management works for the employee's overall Development by reducing their stress and creating a healthy atmosphere in the workplace.

The impact of these higher performance work practices will be evaluated on organizational performance on important grounds: creativity and innovation, core employee retention, customer satisfaction, and organizational productivity. These grounds are considered very important for organizational performance. Cooperative organizations are also focusing on the implantation of the HR departments in their organization and changing nature of the business environment. There is a need to boost the organizational performance with the implantation of the higher performance work practices in the Cooperatives. The purpose of the study was to investigate the relationship between Human Resource management practices and the Business performance of cooperatives. The Business performance that serves as variables of the study is in the broad HRM Practices area of Business performance. Hence this study is undertaken to study the role of Human Resource Management Practices on the Business Performance of Cooperatives in Dindigul District.

## 3. LITERATURE REVIEW

The performance of an enterprise heavily depends on finding the right people to work for them, guiding the selected employee, and ensuring their needs. *The Expert Committee on Rural Credit (2000)* – under the Chairmanship of Prof. V.S. Vyas made the recommendations on Human Resource Development, as many rural financial institutions suffer from poorly motivated and inadequately trained staff. The staff strength is sometimes too high and sometimes too small. The human resources requirement studies should be conducted in all States by reputed professionals. Cooperative CEOs should be professionals and not on deputation from Government. *National Cooperative Policy (2002)* emphasized that the Government recognizes the need to develop human resources, cooperative education and training, appropriate technologies, and infrastructural facilities to promote professional management in cooperatives.

*Task Force on Training and HRD of Cooperatives and RRBs (2002-2007)* chaired by B.S. Vishwanathan has emphasized the need for professionalization in cooperatives and has recommended for the continuance of Cooperative Education and Training schemes during X Plan. *Dayanandan (2004)* in his research paper titled “Training and Development in the DCCBs of Kerala”, evaluated the training and Development of the employees working in selected District Central Cooperative Banks (DCCBs) in Kerala. For the purpose of the study, 244 sample respondents were selected from the three banks (Trivandrum, Ernakulum and Kozhikode). He concluded that most of the employees were not given sufficient induction training before placement to their new job. The majority of junior level employees had not attended any training. The trainings conducted for senior-level employees were adequate and satisfactory, while the management always neglected training to junior level employees. He emphasized that for the success of DCBs, it was necessary to prepare a training plan for junior level employees. Another study was undertaken by *Jeyarathanan, M (2005)* on HRD Practices in CCBs in Tamil Nadu. The study's major findings were that all the respondents were of the view that manpower planning was not done scientifically; the majority of the respondents had undergone cooperative training before they joined the bank. The study also gave suggestions that scientific manpower planning should be done on the basis of workload, Recruitment, resignation, death and when dismissal occurred. Self appraisal, superior appraisal and subordinate's appraisal should be operationalised in DCCBs. Merit and seniority for promotion should be adopted in DCCBs. *The Task Force on Revival of Rural Cooperative Credit Institutions (2005)* – under the chairmanship of Prof. A. Vaidyanathan, recommended that the mandate for appointment of persons having professional qualifications or experience as laid down by the RBI on the boards of the cooperative banks by-election or by cooption with full voting rights if such persons are not elected by normal election process should be practiced. And the right of appointment of the CEOs to be with the banks themselves and not the State government subject to the condition that the proposed appointee satisfies the minimum qualifications criteria laid down by the RBI. *Davis (2006)* investigated the issue of HRM in cooperatives through fieldwork over seven years with

cooperative organizations including the international cooperative alliance (ICA), Asian confederation of credit unions (ACCU), and the British society for cooperative studies and found problem of inadequate Personnel or HRM systems in the majority of cooperatives. Additionally, cooperatives are lagging behind the private sector in HRM according to this study. *D. Joel Edwinraj (2006)* has studied two district central cooperative banks i.e. Kumbakonam Central Cooperative Bank Lt., And Thanjavur Central Cooperative Bank Ltd., in Tamil Nadu in which he has come to conclusion that the human resource development made by the two sample banks seems satisfactory. He further states that if the banks care for their employees; further deposit mobilization will be satisfactory. *The working Group on Human Resource Policy for Short term Cooperative Credit Structure (NABARD: 2009,p 28)* found that the policy and practices (HRD) are mainly Government driven and controlled, and very few attempts had been made to make critical examination thereof into account the special needs of these institutions which are essentially financial institutions. *Chakrabatty, K.C. (2012)* in his speech on “Human Resource Management Practices in Banks-Need for a New Perspective”, focused on the importance of Human Resource Management in Banks. He highlighted the key challenges such as planning, acquiring the right people, managing people, separation or exit faced in HR management in many organizations. *Chakrabarty K.C. (2014)* the Deputy Governor, RBI in his conference speech delivered on Banks and Human Resource in College of Agricultural Banking Pune, said that employees need to be proofed against suboptimal performance under all circumstances, whether favorable or adverse. He says, the HR function in banks is no different from that in other organizations. He says that every bank management has to think of Future Proofing of personnel. This concept consists that future is bad and one has to be aware of risk and adverse changes to sustain their own banking business. *Srivalli B.R (2016)* had studies the impact of HR Practices in Cooperative Banks in Chittoor Distric, it was observed that the performance of the cooperative banks in chittoor district in terms of HR practices of the cooperative banks is positive and significantly relationship between employees job satisfaction and cooperative bank performance. *Smita Singh (2018)*, this study focuses on the comparative analysis of HRM practices

between cooperative banks and public sector banks and in Bhopal region of M.P. It was found during the study that the employee perception of various HRM practices on the dimension of Recruitment, training and compensation did not report any significant difference as opposed to previous notion of considering public sector bank better in HRM practices than cooperative banks. *Thyagaraja C.M and Gontami Maganur (2021)* Successful HRD requires that banks should practice a sound management philosophy that respects human dignity and diversity and are committed to the growth of employees. The Development of employees would help them through coaching, counseling, inculcating skills and bringing out a changed personal outlook. Based on a careful analysis of the needs of the business, cooperative banks must prioritize their choices around workforce engagement. The cooperative banks should believe in the values of employee's contribution and involve them in decision making and share the wealth equitably and fairly. This would enhance the performance of employees in cooperative banks resulting in increased satisfaction among customers and credibility towards these organizations.

#### 4. HYPOTHESES

Based on an extensive literature review five hypotheses were developed for the study. They are:

*Hypothesis 1:* There is no significant relationship between Recruitment and Selection on organizational performance.

*Hypothesis 2:* There is no significant association between training and Development on business performance.

*Hypothesis 3:* There is no significant association between performance appraisals on business performance

*Hypothesis 4:* There is no significant association between compensation management on business performance

*Hypothesis 5:* There is no significant association between career management on business performance

#### 5. OBJECTIVES OF THE STUDY

The basic objective of this study is to assess the role of HRM Practices on the business performance of District Cooperative Milk Producer Union in the Dindigul District. Accordingly, the specific objectives of the study are:

- 1) To study the organizational structure of the Dindigul District Cooperative Milk Producer Union.
- 2) To analyze the impact of these HRM Practices on the business performance of the District Cooperative Milk Producer Union,
- 3) To analyze the perceptions of the employees on the HRM Practices adopted by the sample cooperative institutions, and
- 4) To suggest suitable measures for better implementation of the Human Resource Management practices.

#### 6. METHODOLOGY

##### 6.1 Research Design

The research design adopted for this study is an analytical and descriptive method. This study took an explanatory research design since it seeks to establish the impact of HR practices on organizational performance. The Perception of the Respondent on the selected Human Resource Management Practices namely Recruitment and Selection, Training and Development, Performance Appraisal, and Compensation Management in Dindigul District Cooperative Milk Union.

##### 6.2 Sample design and size

Dindigul District Cooperative Milk Union has been selected purposely. The sample respondents are an employee working (85 employees) in the Dindigul District Cooperative Milk Producer Union have been purposeful. The study will use both primary and secondary sources of data. Data about organizational structure, employee profile, recruitment, selection, training, placement, promotion, salary structure, other HRM functions. Wherever necessary the publications of the National Dairy Development Board, the Reports of Committees and Commissions appointed by the Government of India, State Governments, and National Federation of Dairy Cooperative Union will also be referred for analysis and interpretation.

7. TOOLS FOR DATA COLLECTION

In the present study is survey method has been used. The first-hand information was collected from the District Cooperative Milk Producer Union essential part of the study. The primary data were collected from 85 employees with the help of a schedule. The secondary data were collected from published books, journals, government reports, and websites.

8. TOOLS FOR DATA ANALYSIS

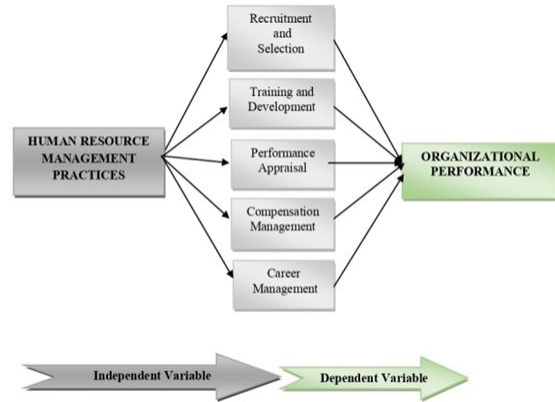
SPSS package was used to analyze the data collected. Descriptive analysis was used for the study. The reliability of the figures was checked through Cronbach’s alpha. The sample characteristics were analyzed using frequency analysis. As the hypotheses were relational and there were five independent variables. So correlation was used to check the characteristic of and relationships among the variables. ANOVA was used to analysis of Employee perception towards Human Resource Management Practice on Business Performance.

9. SCOPE OF THE STUDY

The success of an organization depends upon several factors but the most crucial factor that affects the organization’s performance is its employees. Human resources play an integral role in achieving high-quality services. If the employees of an organization are satisfied with their jobs, the organization can achieve its goals very straightforwardly. In any organization, HRM practices focus on optimal utilization and management of their human Resource effectively to achieve maximum output. In this context, this study focuses on Employee Perception of Human Resource Management Practices in Dindigul District Cooperative Milk Union.

10. CONCEPTUAL MODEL

From the reviewed literature, Recruitment and Selection, Training and Development, Performance appraisal and Compensation Management Practices have been adopted as independent variables of the study. Organizational performance is the dependent variable.



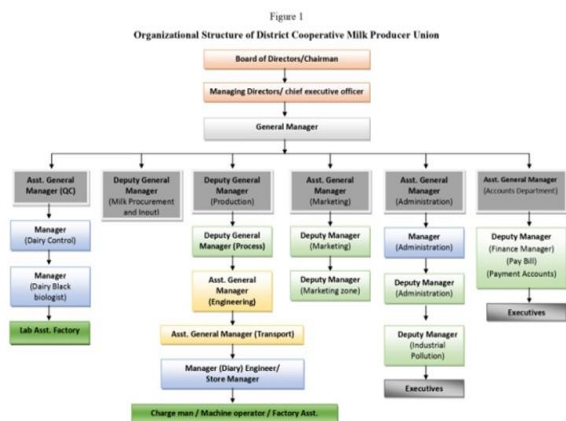
11. BUSINESS PERFORMANCE OF D.D.160 DINDIGUL DISTRICT CO-OPERATIVE MILK PRODUCERS UNION, LIMITED

D.D.160 Dindigul District Co-operative Milk Producers’ Union Limited, Dindigul which came into existence on 29.12.1987. It started its functioning independently with its Chilling Centres at Dindigul, Palani, and Kodaikanal. At present, the Union is procuring 74000 LPD (Litres per Day) of Milk through 178 Functional Rural Dairy Co-operative Societies (DCS) from 5668 Pouring Members and the Total Members of the DCS are 34083. Out of which 4832 Members are AD/SC and 2925 Members are Other Backward Class and 12835 Members are Women. The Main Source of Income of this Union is through the Sale of Milk in Dindigul District and sending the Surplus Milk to the Tamil Nadu Co-operative Milk Producers’ Federation Limited, Chennai, and sale of Milk product like Ghee, Butter, Floured Milk, Milk peda, paneer, and curd, etc. its served as a hole district for supply the milk to the needy people with remunerative cost.

12. ORGANIZATIONAL STRUCTURE

The general body of the union is the supreme authority. It is represented by delegates of the member societies. Should elect a board of directors. The managing director is the chief executive of the Union. The managing director works under the supervision and control of the board of Directors. The managing director is assisted by the Manager, Deputy Manager, and Assistant Managers. The board decides the policies and the managing director executes them.

There are four departments under his control: Milk Procurement and inputs, Production, Marketing, Accounts, and Administration. Approval of cader strength for the newly formed District unions is under process by transferring some portion of cader strength from the bifurcated district unions concerned.



### 13. ANALYSIS AND FINDINGS OF THE STUDY

The demographic frequencies of the respondents taken up for the study are shown below.

The above table 2 shows that out of the total 85 respondents taken up for the study, a majority of (56.6%) percent of them belongs to the age group of 31-40 yrs, a maximum of (78.8) percent of them are male, a majority of them are (61.2) percent are Married, a majority of (30.6) percent of them completed Higher secondary level education and nearly closed to (24.7) percent are completed the Diploma/ITI graduates, the greatest proportion of the respondents are (61.2) are getting income level of Rs 5000 to Rs 10000 per month, followed by the work experience of the sample respondents are the equal proposition of their experience (34.1) percent of having 2-4 years, (37.6) percent are having 4-6 years work experience and very lest of (4.7) having only less than 2years.

### 14. RELIABILITY AND VALIDITY

Before applying statistical tools, testing the scale is very important as it shows the extent to which a scale produces consistent results if measurements were made repeatedly. It has mentioned that its value varies from 0 to 1 but a good value is required to be more than 0.6 for the scale to be reliable (Cronbach, 1951).

In the present study, the research used Cronbach's alpha scale as a measure of reliability. Data were analyzed to measure reliability. The study computed separate and combined reliability estimates, which are similar to the normally used coefficient alpha statistics.

Table 3 Reliability value of the Scale

| Scale                                 | Cronbach's Alpha | No of Items |
|---------------------------------------|------------------|-------------|
| HRM Practice and Business Performance | 0.841            | 31          |

They all were above ( $\alpha = .70$ ). Cronbach's alpha calculated is given in the Table. As the coefficients get closer to ( $\alpha = 1.0$ ) the better is reliabilities and coefficients, and less than ( $\alpha = .60$ ) are considered poor, in this study the Cronbach's Alpha ( $\alpha$ ) is 0.841 on 31 variable perceived Human Resource Management practice and Organizational Performance. The internal consistency reliability of the measures used in the study can be considered to be good and reliable. It is observed that the scale of the present study was good reliable for data analysis. Validation procedures involved the initial consultation of the questionnaires. The experts also judged the face and content validity of the questionnaires as adequate. Hence researcher satisfied the reliability and validity of the scale.

### 15. EMPLOYEE PERCEPTION TOWARDS HUMAN RESOURCE MANAGEMENT PRACTICE ON BUSINESS PERFORMANCE OF DDCMPU

ANOVA: Relationship between Age, Gender, Marital Status, Educational Qualification, Designation, Monthly Income, Work experience of the Respondents and HRM Practices.

H<sub>1</sub>: There is a significant relationship between the Age of the Respondents and HRM Practices.

H<sub>2</sub>: There is a significant relationship between the Gender of the Respondents and HRM Practices.

H<sub>3</sub>: There is a significant relationship between the Marital Status of the Respondents and HRM Practices.

H<sub>4</sub>: There is a significant relationship between the Educational Qualification of the Respondents and HRM Practices.

H<sub>5</sub>: There is a significant relationship between the Designation of the Respondents and HRM Practices.

H<sub>6</sub>: There is a significant relationship between the Monthly Income of the Respondents and HRM Practices.

H<sub>7</sub>: There is a significant relationship between the Work experience of the Respondents and HRM Practices.

*Summary of findings:* the following table summarizes all the results in term of the hypothesis that were found to be true.

Table 4 ANOVA Table

| S.No | Demographical Profile     | F-Value | Sig. | Decision      |
|------|---------------------------|---------|------|---------------|
| 1    | Age                       | 5.139   | .000 | Significant   |
| 2    | Gender                    | 4.849   | .000 | Significant   |
| 3    | Marital Status            | 3.307   | .000 | Significant   |
| 4    | Educational Qualification | 6.892   | .000 | Significant   |
| 5    | Designation               | 1.412   | .143 | Insignificant |
| 6    | Income                    | .502    | .965 | Insignificant |
| 7    | Working Experience        | 2.545   | .002 | Significant   |

One way ANOVA was conducted to test the hypothesis that it is different in Age, Gender, Marital Status, Educational Qualification, Designation, Monthly Income, and Work experience of the respondents. The ANOVA was found to be *significant*; significant P-value is 0.000 for Age, the significant P-value is 0.000 for Gender, the significant P-value is 0.000 for Marital Status, the significant P-value is 0.000 for Educational Qualification and the significant P-value is 0.002 for Work experience, which is less than 0.05 at 95% confidence level.

Table: 5 Spearman’s Correlation Coefficient (rho) Matrix.

| Variables |                     | R&S    | T&D    | PA     | CM     | CP     | BP     |
|-----------|---------------------|--------|--------|--------|--------|--------|--------|
| R&S       | Pearson Correlation | 1      | .424** | .449** | .516** | .280** | .465** |
|           | Sig. (2-tailed)     |        | .000   | .000   | .000   | .009   | .000   |
|           | N                   | 85     | 85     | 85     | 85     | 85     | 85     |
| T&D       | Pearson Correlation | .424** | 1      | .244*  | .358** | .120   | .202   |
|           | Sig. (2-tailed)     | .000   |        | .024   | .001   | .275   | .064   |
|           | N                   | 85     | 85     | 85     | 85     | 85     | 85     |
| PA        | Pearson Correlation | .449** | .244*  | 1      | .486** | .255*  | .819** |
|           | Sig. (2-tailed)     | .000   | .024   |        | .000   | .018   | .000   |
|           | N                   | 85     | 85     | 85     | 85     | 85     | 85     |
| CM        | Pearson Correlation | .516** | .358** | .486** | 1      | .329** | .662** |
|           | Sig. (2-tailed)     | .000   | .001   | .000   |        | .002   | .000   |
|           | N                   | 85     | 85     | 85     | 85     | 85     | 85     |
| CP        | Pearson Correlation | .280** | .120   | .255*  | .329** | 1      | .229*  |
|           | Sig. (2-tailed)     | .009   | .275   | .018   | .002   |        | .035   |
|           | N                   | 85     | 85     | 85     | 85     | 85     | 85     |
| BP        | Pearson Correlation | .465** | .202   | .819** | .662** | .229*  | 1      |
|           | Sig. (2-tailed)     | .000   | .064   | .000   | .000   | .035   |        |
|           | N                   | 85     | 85     | 85     | 85     | 85     | 85     |

\*\* . Correlation is significant at the 0.01 level (2-tailed).

Followed by the Designation and income wise analysis shows that the there is no relationship between the designation and income on the HRM Practice. The hypothesis is rejected *insignificant*.

16. Impact on Human Resource Management Practice on the Business Performance of DCMPU in Dindigul. Correlation between Recruitment and Selection, Training and Development, Performance Appraisal, Compensation Management, Career Planning of association between business Performance

H<sub>1</sub>: There is a significant association between the Recruitment and Selection on HRM Practices.

H<sub>2</sub>: There is a significant association between the Training and Development on HRM Practices.

H<sub>3</sub>: There is a significant association between the Performance Appraisal on HRM Practices.

H<sub>4</sub>: There is a significant association between the Compensation Management on HRM Practices.

H<sub>5</sub>: There is a significant association between Career Planning and HRM Practices.

Table: 4 show the inter-correlation between various factors of HRM Practices in the Sample. It shows that almost all HRM factors at significant at 1% level and 0.05% level. Pearson correlation was used in this study as it measures the strength of association between variables.

Summary of findings: the following table summarizes all the results in term of the hypothesis that were found to be true.

| Hypothesis     | Correlation | significant level | Hypothesis supported |
|----------------|-------------|-------------------|----------------------|
| H <sub>1</sub> | .465**      | .000              | Significant          |
| H <sub>2</sub> | .202        | .064              | Insignificant        |
| H <sub>3</sub> | .819**      | .000              | Significant          |
| H <sub>4</sub> | .662**      | .000              | Significant          |
| H <sub>5</sub> | .229*       | .035              | inSignificant        |

\*Significant value is (less than 0.05 significant levels) is Significant

\* Significant value is (Greater than 0.05 significant level) is insignificant

The study examined the HRM Practices and Business performance of District Milk Producer Cooperative Union have a positive impact on HRM Practices leading to improved Business Performance of DCMPU, from evidence gathered are yet to benefit from the proper management of their Human Resource Management practices. *Recruitment & Selection* which is the first process any well-meaning organization resorts to in acquiring human Resources is fundamental to business performance; it was found from the research that when people with the desired skill, knowledge, and attitude are performance improves as a result of maintaining a committed, motivated and high-performance workforce.

*Training and Development* eve in the form of orientation, inductions, and familiarization activities also impact business performance. The study found out, for training and development programme to have a rewarding impact on business performance. Well-trained and developed employees need the District Cooperative Milk Producer Union in Dindigul District. On the other hand, inadequate training result in a poor performance review can create employee dissatisfaction and conflict

*Compensation management* compensation structure and procedure should able to bring on the best in employee and motivate underperforming employee to improve performance. Compensation structure should also incorporate non-financial benefits that provide intrinsic and extrinsic motivation of the employee working in DCMPU in Dindigul District

*Performance Appraisal* is another important compound to find out employee efficiency. Employee performance can be sustained to impact business performance by maintaining appraisal and performance management systems that develop the

employee and increases employee commitment and satisfaction. When this happens, productivity is boosted to match external compensation and improve business performance. Performance management develops individuals and terms that in turn impact business performance.

This study found out that the proper management of human resources through *career planning* can greatly impact the business performance of District Cooperative Milk Producer Union in Dindigul District. DCMPU has introduced these HRM practices that have to do with identifying needs, aspirations, and opportunities for employee career development and implementing an HR Programme to support that career. If the DCMPU maintains a well-planned career development system with internal advancement opportunities based on merit, employee motivation will be high and have an impact on business performance.

#### 17. DISCUSSION AND SUGGESTION

It is theorized that business performance is to be predicted by HRM practices viz., Recruitment and Selection, Training and Development, Performance appraisal, Compensation Management, and career planning. The overall result of the correlation analysis four out of five HRM Practices except (Training and Development) acted as significant predictors in business performance. From the analysis, it is revealed that Recruitment and Selection had a significant effect on business performance. It implies that the right Selection of employees with adequate qualifications and enhancing the performance of DCMPU. It is evident that performance appraisal had a significant effect on business performance. The finding implies that performance appraisal serves as a motivator and enabler for the DCMPU in enhancing employee productivity and performance. So it is recommended that the mechanism of performance appraisal need to be administrated properly which will result in better business performance. It was determined that compensation management and reward management had a significant effect on business performance. It reveals that the compensation and reward management practices adopted by DCMPU encourage the employee to enhance their productivity, leading to the enhancement of business performance. Training and Development are found to be no significant towards organizational performance in DCMPU. Training and



Development provided by DCMPU and Dairy development board to create a platform for an employee to capture and sharing working knowledge which can be used to enhance their performance which may result in the enhancement of business performance but in DCMPU Training and Development of employee are missing. So it is recommended that the mechanism of Training and Development of DCMPU need to be enhancing their productivity which leads to the enhancement of business performance.

#### 18. CONCLUSION

This study has provided an overview and a discussion of HRM practices of the District Cooperative Milk Producer Union in Dindigul District. It chiefly focused on the perception of an employee on HRM practices and the Impact of such HRM practices on Organizational Performance. The Purpose was to critically evaluate employees' perceptions on HRM practices and establish the impact of properly managing human resources on business performance. Five HR practices were laid bare before managers and employees for critical scrutiny. This process produced results that indicated that the District Cooperative Milk Producer Union in Dindigul District needed to pay much more attention to the proper management of their human Resource to realize their full potential and create a competitive advantage through them. The effective management of the human Resource of this DMPCU will create and sustain a competitive advantage and improve business performance. The DMPCU must ensure the investment in their human Resource and HRM Practices will attract and retain talented people.

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