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AN ANALYSIS OF THE SATISFACTION OF BORROWERS ABOUT CO-OPERATIVE HOUSING SOCIETIES IN ERODE DISTRICT

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ABSTRACT

Housing is regarded as a basic human need along with food and clothing. Housing condition is an important indicator of the level of living of the people. It has been rightly observed in the National Sample Survey Report on Housing Conditions that housing conditions and related facilities determine the immediate environment of man. The development of physical and mental potentialities is in turn influenced by the environment he lives. Housing condition is, therefore, recognized as an important indicator of the level of living. Adequate housing contributes directly to the individual health and productivity which are essential for national economic growth. Investment in housing has a multiplier effect on the economy through the concurrent development of allied industries

KEYWORDS: *Housing, food, clothing, Co-operative Housing Societies*

INTRODUCTION

Housing is regarded as a basic human need along with food and clothing. Housing condition is an important indicator of the level of living of the people. It has been rightly observed in the National Sample Survey Report on Housing Conditions that housing conditions and related facilities determine the immediate environment of man. The development of physical and mental potentialities is in turn influenced by the environment he lives. Housing condition is, therefore, recognized as an important indicator of the level of living. Adequate housing contributes directly to the individual health and productivity which are essential for national economic growth. Investment in housing has a multiplier effect on the economy through the concurrent development of allied industries

STATEMENT OF THE PROBLEM

It was the motto and policy of the Government to provide a house for each family in Tamil Nadu. The Co-operative Housing Societies play an important role in achieving the above object. In Tamil Nadu State, there were 834 Urban Co-operative Housing Societies and 196 Taluk Rural Co-operative Housing Societies and along with a state level Apex Body namely Tamil Nadu Co-operative Housing Federation Limited functioning to cater the Housing needs of the members in urban and rural areas. In Erode district in 2012-13, there were 24 housing Co-operatives with a membership of Rs.4.3 lakhs and the working capital of Rs.27.23crores. As Housing Co-operatives have made appreciable progress in India, the study was designed to study the performance of Primary Co-operative Housing Societies in Erode District wherein eight Co-operative Housing Societies are functioning at the

grass root level. In this juncture, it is imperative to examine the number of members in Co-operative Housing societies, mobilization and utilisation of resources, lending activities, problems faced by Co-operative Housing Societies and the satisfaction of the beneficiaries.

SCOPE FOR THE STUDY

Now a days shelter is one of the common need for any individual. Therefore, there is a Significant scope to examine the need for housing loan, utilization level, financial performance of Co-operative Housing Societies, extent of overdue, problems faced by the Co-operative Housing Societies and its beneficiaries. To assess the performance level, eight sample societies are taken and compared. The study is made to analyse the extent of utilization level of members of sample Co-operative Housing Societies at Erode district. The study is confined only to the individuals who are the members of the Erode Co-operative Housing Society. The study is individual oriented and so the concept of utilization has been considered from the point of view of the members of sample Societies in Erode District and not from the point of view of the society.

OBJECTIVES OF THE STUDY

- ✧ To study the profile of Co-operative Housing Societies in Erode District.
- ✧ To analyze the financial performance of Co-operative Housing Societies in Erode District.
- ✧ To examine the extent of over dues in Co-operative Housing Societies in Erode District.
- ✧ To analyze members perception about the services offered by Co-operative Housing Societies in Erode District.
- ✧ To examine the problems of sample Co-operative Housing Societies and its beneficiaries and to offer suggestions.

HYPOTHESIS OF THE STUDY

1. There is no significant relation between the type of house and demographic profile of the respondents.
2. There is no significant association between demographic variables and motivational factors.
3. There is no significant association between the level of satisfaction and the services provided by the Co-operative Housing Societies.

RESEARCH METHODOLOGY

The present study is an empirical one. Field survey method and personal interview technique have been adopted for the collection of the required data from the selected Co-operative Housing Societies and

its members. The secondary data have been gathered from the institutions and primary data have been collected from the selected respondents by using schedules constructed for the purpose

SAMPLING PROCEDURE

Random sampling technique has been adopted for the study. Erode Revenue District has been selected purposively because of its unique characteristics. Erode district has been one of the industrially, Co-operatively and educationally developed district of Tamil Nadu state. The other considerations like proximity, financial and time factors have also contributed to select the particular district for an in-depth study. In Erode Revenue District, 8 Co-operative Housing Societies have been selected out of 24 by using simple random sampling method. The sample societies are listed below:

- The Erode Co-operative Housing Society Ltd.
- Perundurai Taluk Co-operative Housing Society Ltd.,
- Gobichettipalayam Co-operative Housing Society Ltd.,
- Tamil Nadu Transport Employees Co-operative Building Society
- Erode Co-operative Building Society
- Southern Railway Employees Co-operative House Building Society Ltd.,
- Perundurai Teachers and Staff of Education Department., Co-operative Housing Society Ltd.,
- Bhavani Cooperative Building Society Ltd.,

The main focus of the study was on the financial performance of Cooperatives Housing Societies in the study area. However, it is felt that any study on the performance of the housing Societies would not be completed without studying the satisfaction of its members. Therefore, the members' perception about the services offered by the sample societies has been included as another dimension which would help to vouch the result of the study. Totally 376 members have been selected for study.

PILOT STUDY

A pilot study was conducted among 40 respondents, which constituted 10 percent of the total sample. Based on the results of this study and personal observation, the requisite factors influencing the level of satisfaction of the respondents have been identified. Due to this, the scope of the present study has been widened. Accordingly, the schedules have been restructured and finalized to conduct the research.

FIELD WORK

The officials of the institutions were contacted according to their convenient places and timings and required data have been gathered from the records and registers and also from their perceptions. The members were directly contacted and interviews are carried out in the convenient timings and places. After creating a good rapport by explaining the purpose of the study, a good response has been received from each and every member. Secondary data from the institutions and primary data from the selected respondents have been gathered without any complexity.

TOOLS USED

CHI-SQUARE ANALYSIS

The chi-square analysis has been used to test the significance of the influence of demographic characters over the opinions of the borrowers. The chi-square statistic is

$$\chi^2 = \sum \frac{(O - E)^2}{E}$$

Here O: Observed frequency E: Expected frequency

AVERAGE SCORE ANALYSIS

After converting the qualitative information into a quantitative one using a five point scale, the average scores were obtained on various issues to determine the mean scores regarding satisfaction regarding services. Parametric test of two sample t-Test and One way analysis of variance for more than two groups are applied to for judging the significance of the difference between means scores after testing the normality by Q-Q plot.

GARRETT RANKING

Garrett ranking has been used to find out the most influential factor in motivating the borrowers to approach Cooperative Housing Societies for loan. As per this method, respondents have been asked to assign the rank for all factors and the outcomes of

such ranking have been converted into score value with the help of the following formula:

$$\text{Percent position} = 100 (R_{ij} - 0.5) / N_j$$

Where R_{ij} = Rank given for the i th variable by j th respondents

N_j = Number of variable ranked by j th respondents

With the help of Garrett's Table, the percent position estimated is converted into scores. Then for each factor, the scores of each individual are added and then total value of scores and mean values of score is calculated. The factors having highest mean value is considered to be the most important factor.

PERIOD OF STUDY

The primary data required for the study have been collected from the respondents during the year 2013 – 2014 and the secondary data from 2004 – 2014.

PROFILE OF THE STUDY AREA

In Erode District, there are 24 Housing Cooperatives effectively extending their services to the members. Among these cooperatives, Erode Cooperative Housing Society Limited was the age old society. It was registered on 24.03.1924. Next to this, Bhavani Cooperative Building Society and Gobi Cooperative Building Society were 65 years old cooperative institutions. Gobichettipalayam Cooperative Housing Society Limited was registered before 61 years. There were 7 societies come across with more than 50 years of registration. It was also observed that these societies have crossed above 40 years of age and the rest of the societies were below 40 years old. Olagadam Cooperative Housing Society was of recent origin than compared to other housing societies. This society has been rendering effective services to its members for the past 17 years in Olagadam.

Financial Assistance

Table 1.1 shows the amount of financial assistance received by the sample respondents from the selected Co-operative Housing Societies.

Table No.1.1 Quantum of Financial Assistance

Co-operative Housing Society	Amount of Assistance									
	Below 1 lakh		1 lakh - 3 lakhs		3 lakhs - 5 lakhs		5 lakhs - 10 lakhs		Above 10 lakhs	
	N	%	N	%	N	%	N	%	N	%
The Erode Co-operative Housing Society Ltd.	8	6.35	34	26.98	51	40.48	28	22.22	5	3.97
Perundurai Taluk Co-operative Housing Society Ltd.,	25	23.36	28	26.17	29	27.10	22	20.56	3	2.80
Gobichettipalayam Co-operative Housing Society Ltd.,	9	24.32	10	27.03	7	18.92	11	29.73	-	-
Tamil Nadu Transport Employees Co-operative Building Society	8	21.62	18	48.65	5	13.51	6	16.22	-	-
Erode Co-operative Building Society	5	20.00	9	36.00	7	28.00	4	16.00	-	-
Southern Railway Employees Co-operative House Building Society	3	16.67	4	22.22	5	27.78	6	33.33	-	-
Perundurai Teachers and Staff of Education Department., Co-operative society	4	23.53	6	35.29	3	17.65	4	23.53	-	-
Bhavani Cooperative Building Society Ltd.,	3	33.33	1	11.11	2	22.22	3	33.33	-	-
Total	65	17.29	110	29.26	109	28.99	84	22.34	8	2.13

Source: Computed by the researcher

Out of 126 borrowers in ECHS, 40.48 percent (51) have obtained loan in the range of 3 to 5 lakhs while 34 respondents have borrowed to the tune of Rs.1 to 3 lakhs accounting to 26.98 percent. 22.22 percent have borrowed to the tune of Rs. 5 to 10 lakhs. Others are negligible. In PTCHS, 57 respondents accounting for 53.27 percent have obtained financial assistance in the range of Rs. 1 to 5 lakhs. It is surprising to note that in all the other societies, no one has borrowed loan to the tune of more than Rs.10 lakhs. Further, in all the remaining

Co-operative Housing Societies, more or less equal number of borrowers has obtained loans in the range of less than Rs.1 lakhs to 10 lakhs. Therefore, it can be inferred that majority of the respondents (219) accounting for 58.25 percent have borrowed in the range of Rs. 1 to 5 lakhs.

In order to find the association between the financial assistance received from Housing Agency and the profile of the respondent, chi-square test has been used and result of the test is shown in Table.1.1a.

TABLE NO.1.1a Results of Chi Square Test

Profile of the Housing Society	Chi square value	df	p	Sig.
Assistance received from Housing Agency	41.62	28	0.047	Significant

Since the p value is less 0.05 the result is significant at 5 percent level. From the analysis it is concluded that there is an association between assistance received from Housing Agency and profile of the respondents.

Preference for Co-operative Housing Loan:-

The respondents have been asked about their preference for Co-operative Housing Societies for getting housing loan. Their reasons for preferring the co-operative housing society to get housing loan is presented in Table 1.2.

Table No.1.2 Preference for Co-Operative Housing Societies

Reasons	No. of Respondents	Percentage
Easy access	123	32.7
Low interests	80	21.3
Subsidy/Govt. assistance	16	4.2
Simple procedures	142	37.8
Reluctance of other institutions	15	4.0
Others	376	100.00

Source: Computed by the researcher

Simple procedure has been ranked as first by 142 respondents accounting for 37.8 percent and 123 respondents with 32.7 percent has ranked easy access as second. Only 80 respondents have ranked low rate of interest as third. Subsidies from government and reluctance of other financial institutions to give loan

have been ranked as fourth and fifth respectively by the respondents.

In order to identify the most influential factor Garrett rank analysis has been used and the results are given in Table 1.2a.

Table No.1.2a. Garrett Rank

Factors	Mean	Std. Deviation	Garrett score	Garrett Rank
Easy access	2.03	1.10	64.67	I
Low interests	5.73	0.83	25.88	VI
Subsidy/Govt. assistance	4.22	1.16	43.82	V
Simple procedures	2.32	1.45	62.27	II
Reluctance of other institutions	3.28	1.30	52.16	III
Others	3.42	1.19	51.20	IV

It could be noted from the above Table that among the six factors “Easy access” has been ranked first. It is followed by the “Simple procedures” and “Reluctance of other institutions”. Subsidy/Government assistance has been given fifth rank which is followed by low rate of interest.

FINDINGS

- ✧ No one has borrowed loan to the tune of more than Rs.10 lakhs. Further more or less equal number of borrower’s has obtained loans in the range of less than Rs.1 lakhs to 10 lakhs. Majority of the respondents (219) accounting for 58.25 percent have borrowed in the range of Rs. 1 to 5 lakhs.
- ✧ Among the five factors “Easy access” has been ranked first. It is followed by the “Simple procedures” and “Reluctance of other institutions”. Low rate of interest has been given fourth rank which is followed by Subsidy/Government assistance.
- ✧ Overall level of satisfaction for all the selected Co-operative Housing Societies ranged between 63 percent to 100 percent.

SUGGESTIONS

- ✧ The loan amount sanctioned for the members are from Rs.5 lakhs to Rs.10 lakhs. The amount so discharged is not sufficient for their

construction. The period of the loan can be from 10 to 20 years.

- ✧ The loan formalities can be minimized by the bye-laws of the society. The share base can be reduced to 3 percent instead of 7 percent. The members do not know the importance of share capital base. This indeed is a pattern of savings. But this is not possible by all the members. Hence, the members who have the intension to increase the savings can go for deposit schemes of the society.
- ✧ The process of the loan gets delayed since the proceedings for the loan is partly automated and partly manual. To fasten the proceedings of the loan, proper training should be given for the employees. The employees should take active part in the systemization of the records, publishing of reports, reduce duplication and fasten the flow of work for the speedy action.

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