

## Benefits And Constraints Of Employees Co-Operative Thrift And Credit Society Ltd In Tirunelveli District– A Study With Special Reference To Members Perspective

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### ABSTRACT

Employee's Co-operative Credit Society (ECCS) occupies crucial position in the financial system of the economy in terms of their reach, volume of operations and the purpose they serve. The main aim of the study is to know the benefits of Employees Co-operative Thrift and Credit Society Ltd and identify the constraints to Employees Co-operative Thrift and Credit Society Ltd development. Survey method has been followed for this study. Primary and secondary data has been collected through various sources. Simple random sampling method has been followed in this study. There are 63 employees' societies functioning in Tirunelveli district, of which 10 Employees Co-operative Thrift and Credit Society Ltd were selected for this study. There are 25 employees chosen in each society. The total sample size is 250. It is found that high illiterate level of members and lack of skilled personnel are the important constraints to employees co-operative thrift and credit society Ltd' development among the respondents who are married. The study reveals that high illiterate level of members and lack of skilled personnel are the important constraints to employees co-operative thrift and credit society Ltd development among the respondents who are unmarried.

**KEY WORDS:** Self-Help, Mutual Help, Benefits and Constraints

### INTRODUCTION

Employee's Co-operative Credit Society (ECCS) occupies crucial position in the financial system of the economy in terms of their reach, volume of operations and the purpose they serve. They were the first ever attempt at micro credit dispersion in rural, semi-urban and urban area in India and are voluntary organized in a democratic setup by people having common interest and high moral values with the aim of "Thrift" and "self-help" through mutual help.

### STATEMENT OF THE PROBLEM

There was no proper helps and guidance received by employees' co-operatives due to the unavailability of federation from the commencement. Operational problems are one of the

causes for slow growth in some employees' co-operatives. Development of urban credit and employees' co-operatives was irregular in various states. The co-operative societies including ECS which could not offer new strategy to meet the employees' expectations. The amount of deposits as well as credit per account is small and the servicing costs are obviously high. It affects the performance and profitability of the society. The problems highlighted above calls for a thorough assessment of the employee co-operative societies' performance to review the present status and future prospects.

### OBJECTIVES OF THE STUDY

- i) To know the benefits of Employees Co-operative Thrift and Credit Society Ltd in Tirunelveli district
- ii) To identify the constraints to Employees Co-operative Thrift and Credit Society Ltd development in Tirunelveli district

### METHODOLOGY

Survey method has been followed for this study. Primary and secondary data has been collected through various sources.

### SAMPLING METHOD

Simple random sampling method has been followed in this study. There are 63 employees' societies functioning in Tirunelveli district, of which 10 Employees Co-operative Thrift and Credit Society Ltd were selected for this study. There are 25 employees chosen in each society. The total sample size is 250.

### ANALYSIS AND INTERPRETATION

#### Benefits of Employees Co-operative Thrift and Credit Society Ltd based on Gender

To know the benefits of Employees Co-operative Thrift and Credit Society Ltd based on the gender group of members, the null hypothesis was attempted.

$H_0$  : There is no significant difference in benefits of Employees Co-operative Thrift and Credit Society Ltd among different gender group of members.

The details of the result of Mann-Whitney U test is depicted in Table 1.

**Table 1**

#### Benefits of Employees Co-operative Thrift and Credit Society Ltd based on Gender

Benefits of cooperative societies	Gender		U-value	Z-value	p-value
	Male	Female			
Improved farm output	210.96	200.65	20002.000	1.122	0.203
Increased income	221.43	204.56	18571.000	1.463	0.143
Access to farm inputs	223.13	203.63	18259.000	1.711	0.087
Easy access to credit	219.30	205.71	18826.000	1.207	0.227
Education and training	228.52	200.69	17461.000	2.525	0.012
Improved living condition	215.18	207.95	19435.000	1.613	0.120
Employment	213.24	205.46	19382.500	1.783	0.113

#### Source: Computed data

From the Mann-Whitney U test it is found that the 'U-value' for benefits of Employees Co-operative Thrift and Credit Society Ltd relating to education and training

among different gender group of members is (U-value) 17461.000 which is significant at 5 percent with p value of 0.012. Since p value is below 0.05, the null hypothesis is rejected. Therefore, it is concluded that there is a significant difference in benefits of Employees Co-operative Thrift and Credit Society Ltd related to education and training among different gender group of members. It is concluded that gender is a significant variable determining the benefits of Employees Co-operative Thrift and Credit Society Ltd related to education and training.

### Benefits of Employees Co-operative Thrift and Credit Society Ltd based on Age group of respondents

To know the benefits of Employees Co-operative Thrift and Credit Society Ltd based on the age group of members, the null hypothesis was proposed.

$H_0$  : There is no significant difference in benefits of Employees Co-operative Thrift and Credit Society Ltd among different age group of members.

The details of the result of Kruskal Wallis test is presented in Table 2.

**Table 2**

### Benefits of Employees Co-operative Thrift and Credit Society Ltd based on age group of members

Benefits of cooperative societies	Age Group (Mean Rank)				Chi-Square $\chi^2$	P value
	Upto 30 years	30-40	40-50	Above 50 years		
Improved farm output	167.00	193.19	211.43	224.58	11.052	0.011
Increased income	178.00	194.15	206.07	224.06	7.777	0.049
Access to farm inputs	174.50	198.60	208.34	217.56	3.642	0.303
Easy access to credit	167.00	194.07	196.50	227.07	11.965	0.008
Education and training	201.04	207.86	231.97	251.50	5.956	0.114
Improved living condition	197.17	218.20	225.01	245.00	7.109	0.068
Employment	180.63	212.81	223.47	231.50	5.476	0.140

### Source: Computed data

From the Kruskal-Wallis test it is found that the 'Chi-Square' value for benefits of Employees Co-operative Thrift and Credit Society Ltd relating to improved farm output, increased income and easy access to credit among different age group of members is ( $\chi^2$  value) 11.052, 7.777 and 11.965 respectively which is significant at 5 percent with p value of 0.011, 0.049 and 0.008 respectively. Since p value is below 0.05, the null hypothesis is rejected. Therefore, it is concluded that there is a significant difference in benefits of employees co-operative thrift and credit society Ltd relating to improved farm output, increased income and easy access to credit among different age group of members. It is concluded that age is a significant variable determining the benefits of Employees Co-

operative Thrift and Credit Society Ltd relating to improved farm output, increased income and easy access to credit.

### Constraints to employees co-operative thrift and credit society Ltd development and educational qualification of respondents

Analysis of variance (ANOVA) was attempted with the null hypothesis, "There is no significant difference in constraints to employees co-operative thrift and credit society Ltd among different educational qualification of respondents in Tirunelveli district". The result of ANOVA is given in Table 3.

**Table 3**

### Constraints to employees co-operative thrift and credit society Ltd development among different educational qualification of respondents

Constraints to cooperative development societies'	Educational qualification (Mean Score)					F-Statistics
	Illiterate	Less than X Std	X to XII Std	Degree and Postgraduate	Professionals	
Inadequate capital accumulation	3.4286	3.5030	3.5537	3.6625	3.7744	1.808
Unavailability of loan	3.3810	3.4125	3.5225	3.5885	3.6581	1.383
Mismanagement by leaders	3.3425	3.4279	3.5288	3.5995	3.7273	1.934
Lack of skilled personnel	3.3721	3.5212	3.5741	3.6077	3.7873	1.272
Government interference	3.4909	3.5586	3.5999	3.6250	3.7619	1.139
High illiterate level of members	3.6977	3.7479	3.7619	3.9000	3.9500	2.371*

Source: Computed data

\*-Significant at five per cent level

The table shows that the significant difference in constraints to employees co-operative thrift and credit society Ltd development among the different educational qualification of respondents are identified in the case of high illiterate level of members. Since the respective "F" statistics is significant at 5 per cent level, the null hypothesis is rejected.

### Constraints to employees' co-operative thrift and credit society Ltd development and marital status of respondents

To find out the significant difference in constraints to employees co-operative thrift and credit society Ltd development based on marital status of respondents, analysis of variance (ANOVA) was attempted with the null hypothesis, "There is no significant difference in constraints to employees' co-operative thrift and credit society Ltd among different marital status of respondents in Tirunelveli district". The result of ANOVA is given in Table 4.

Table 4

**Constraints to employees co-operative thrift and credit society Ltd development among different marital status of respondents**

Constraints to cooperative societies' development	Marital Status (Mean Score)				F-Statistics
	Married	Unmarried	Widow	Divorce	
Inadequate capital accumulation	3.7923	3.6667	3.5480	3.5072	1.067
Unavailability of loan	3.7667	3.6232	3.5356	3.3846	1.013
Mismanagement by leaders	3.6978	3.5797	3.5385	3.4737	1.044
Lack of skilled personnel	3.8667	3.7511	3.5372	3.4528	1.236
Government interference	3.7692	3.6087	3.5356	3.4000	1.241
High illiterate level of members	3.9514	3.8286	3.7971	3.4615	1.616

Source: Computed data

\*-Significant at five per cent level

The table shows that no significant difference in constraints to employees co-operative thrift and credit society Ltd among the different marital status of respondents are identified in the case of Inadequate capital accumulation, unavailability of loan, mismanagement by leaders, lack of skilled personnel, government interference and high illiterate level of members. Since the respective "F" statistics are not significant at 5 per cent level, the null hypothesis is accepted.

#### SUGGESTIONS

- ✓ On the basis of the above findings the subsequent actions are suggested to improve the performance of the societies. ECCSs must have a vision and mission to wider their membership base. They have to attract more members / customers. They must have to shift their dependence from thrift deposits to saving deposits with premeditated strategies to reduce cost of funds.

#### CONCLUSION

An advance is an area where the societies earn more interest income and it is one of the essential functions of the society. Therefore, the Employees Co-operative Thrift and Credit Society Ltd have to enhance their loans and advances based on their working funds positions, demand for loans etc. further, the Employees Co-operative Thrift and Credit Society Ltd have to train their officials and staff to handle the credit proposals. Society must review their investments and other assets periodically to avoid accumulation of idle assets. They can expand their loans under medium term and long term loans category taking all possible precautions both at pre-disbursement survey and post disbursement follow up.

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