



ORIGINAL RESEARCH PAPER

Commerce

DETERMINANTS TO PREFER PACCSS BY MEMBERS: AN ANALYSIS WITH CHALLENGES

KEY WORDS: Co-operative Banks - Determinants- Challenges - Members - PACCSSs.

S. Swathika

Assistant Professor of Commerce, Shree Venkateshwara Arts & Science (Co-education) College, Gobichettipalayam.

Dr. A. Selvaraj

Head & Associate Professor (Retd.,) PG & Research Department of Commerce, Gobi Arts & Science College, Gobichettipalayam.

ABSTRACT

Co-operative banks offers a wide range of services including improved access to markets, natural resources, information, communications, technologies, credit, training and warehouses to farmers and rural entrepreneurs. In this paper, it is mainly focused on to examine the determinants to prefer the Primary Agricultural Co-operative Credit Societies (PACCSs) and challenges faced by the members of PACCSs in Erode district of Tamil Nadu. For this paper, primary data have been collected from 140 members of the PACCSs. Such collected data have been analysed with the help of MS Excel and SPSS 22.0. Kendall's 'W' Test and Henry Garrett Ranking Technique have been used for this research.

INTRODUCTION

A co-operative bank plays an important role in Indian Financial System as Co-operation has been inherent Indian Cultural ethos to work as a socio- economic organisation for the well-being of the people. The principles and practices of Co-operative system have been guiding the people for community based management of means of production and economic resources. The expectations from Co-operatives have been to facilitate self- sufficiency in food grain production, creation of better employment opportunities for rural people.

Co-operative banks have provided aid to the rural population by granting loans and credits with interest rates and also helping farmers by providing them agricultural credits to buy basic products like fertilizer, seeds etc. The role of co-operatives in urban areas has been increased in a sufficient part now a days due to increase of primary co-operatives there but the main financing the rural areas is also goes on increasing. Even though, co-operative bank is an important to the members of PACCSs, some challenges are faced by the members of Co-operative Banks such as low rate of interest on deposits, no ATM facility, strict loan procedure etc.

Review Of Previous Studies

Talluri Sreekrishna and Nageswara Rao (2015) made a study to identify the various problems faced by sample respondents in Guntur district. For which, they have collected required primary data from 239 respondents by using convenient sampling technique. Such collected data have been analysed by using percentage. They found that majority members of the sample PACSs are not wealthy enough. They suggested that to provide sufficient loan to meet requirements.

Gopinathan and Velmurugan (2016) conducted a study on factors that determine service quality. They have collected data from 500 customers by using convenient sampling method. Such collected data have been analysed by using statistical tools like percentage and chi-square test. They suggested that accounting transactions are to be computerized and Primary Agricultural Co-operative Credit Societies employees may give more attention in redressing the customers' grievances.

Paulo Anania (2016) conducted a study on factors hindering effective participation of youth in agricultural marketing co-operatives. She found that the self- employment option is particularly important for young people to enter into the labour market when faced with problems of finding a first job due to lack of opportunities or lack of experience. She suggested that encourage more youth involvement and retention in Agriculture Marketing Co-operative Societies

Olumese and Onemolease (2018) conducted a study in Nigeria. For which, they have collected data from 63 respondents by using convenient sampling technique. Such collected data have been analysed by using various statistical tools like mean dispersion and standard deviation. They concluded that co-operative members should undergo regular capacity building and workshops to acquire more skills on how to manage and run a successful agricultural co-operative society.

Statement Of The Problem

In India, Commercial banks including SBI, Rural bans, Co-operative banks and Foreign banks are performing various services to improve the economy of India. Of which, co-operative banks are playing an important role in developing the rural economy. In the present scenario, it is known fact that all banks are offering door step services. But, in the case of PACCSs, the situation is different. This bank is opted by the members by considering various factors like accessibility, interest free loan etc. Further, the members of PACCSs are suffering from various challenges like insufficient loan, cumbersome, poor e-banking services etc. By keeping all these in mind, this paper is an attempt to find out answer to the following research questions.

1. What are the determinants to prefer PACCSs by members?
2. What are the challenges faced by the members of PACCSs?

Objective Of The Study

The following are the specific objectives of this paper.

- To identify the determinants to prefer PACCSs by members.
- To analyses the challenges faced by the members of PACCSs.

These objectives have been analysed with the help of Kendall's Co-efficient of Concordance ('W') test and Henry Garrett Ranking Technique.

METHODOLOGY AND TOOLS

In general, co-operative banks are divided into three categories. Viz., State Co-operative Banks, District Central Co-operative Banks and Primary Agricultural Co-operative Credit Societies. This paper is mainly focused on the PACCSs. It is found that there are 4474 Primary Agricultural Co-operative Credit Societies in Tamil Nadu. Further, it is known that Erode district is one of the important districts in Tamil Nadu (<https://m.rbi.org.in>). Hence, this district has been selected purposely. In this district, there are 10 taluks viz., Erode, Modakkurichi, Kodumudi, Perundurai, Bhavani, Anthiyur, Gobichettipalayam, Sathyamangalam, Thalavadi and Nambiyur. Of them, Gobichettipalayam and T.N.Palayam

taluk have been selected purposely. In these taluks, it is found that there are 19 PACCSs (14 in Gobichettipalyam and 5 in T.N Palayam). By using, Convenient sampling method, the required primary data have been collected from the 190 Sample members (10 members from each Society) with a well-structured Interview Schedule. Due to incomplection and contradictory information, 50 Interview Schedule have been found as not suitable for analysis. Hence, the final sample size of the study is 140. Such collected data have been analysed with SPSS 22.0

RESULTS AND DISCUSSION
 Determinants To Prefer Paccss: Kendall's Co-efficient Of Concordances

To identify the determinants to prefer the Primary Agricultural Co-operative Credit Societies, a pilot study was conducted with 12 determinants. By using Item Analysis technique determinants like reasonable rate of interest and location have been dropped. Finally, 10 determinants have been used in the final study and the same have been examined with the help of Kendall's Co-efficient of Concordance ('W') test. Findings are shown in Table 1.

Table 1: Determinants To Prefer Paccss By Members: Kendall's Co-efficient Of Concordances ('w') Test

Factors	Mean Rank
Recommendations by relatives and friends	5.38
Locker facility	5.91
Reputation	6.90
Proximity	7.66
Convenience	7.40
Easy to opening an account	9.21
Reasonable service charges	8.14
Interest free loan	3.94
Working hours	5.67
Availability of loans and advances	6.73

Kendall's Co-efficient of Concordance ('W')

Kendall's ('W')	0.156
-----------------	-------

Table 1 shows that the determinants to prefer the Primary Agricultural Co-operative Credit Societies. The Kendall's Co-efficient of Concordance ('W') test is calculated for the above determinant which is found to be 0.158. It shows that there is less similarity among the respondents in assigning the ranks to the determinants to prefer the Primary Agricultural Co-operative Credit Societies. Looking at the mean ranks, it is understood that the highest preference has been given to interest free loan (lower the rank and higher the priority) constituting the mean rank 3.94 and the lowest preference is given to easy to open an account the mean rank is 9.21.

Challenges Faced Members Of The Primary Agricultura Co-operative Credit Societies: Garrett's Ranking Technique

It is decided to identify the challenges faced by the members of Primary Agricultural Co-operative Credit Societies. For which, a pilot study was conducted with 12 challenges. By using item analysis Technique challenges like poor infrastructure and no cheque book facility have been dropped. Garrett's Ranking Technique has been applied to decide the important challenges faced by the members of PACCSs. Accordingly, Table 2 has been prepared.

Table 2: Challenges Faced By Members Of Paccss

Factor	Rank	1	2	3	4	5	6	7	8	9	10	mean	Rank
S	X	82	71	63	58	52	48	42	37	29	18	Score	
Undue delay in sanction of loan	F	4	15	21	15	15	18	17	16	12	7	50.0	VII
	Fx	328	1065	1323	870	780	864	714	592	348	126		

No ATM facility	F	15	10	10	10	15	14	17	19	17	13	48	X
	Fx	1230	710	630	580	780	672	714	703	493	234	18	
Insufficient Loan	F	13	20	20	10	13	16	10	12	10	16	51	II
	Fx	1066	1420	1260	580	676	768	420	449	290	288	51	
High rate of interest on loan	F	15	14	10	16	15	17	7	17	17	12	50	VI
	Fx	1230	994	630	928	780	816	294	629	493	216	17	
Insisting for more security	F	17	13	18	14	14	18	5	10	12	19	50	IV
	Fx	1394	923	1134	812	728	864	210	370	348	342	89	
Cumbersome loan procedure	F	18	10	16	12	16	14	13	13	18	10	51	I
	Fx	1476	710	1008	696	832	672	546	481	630	180	65	
Poor response at counter	F	16	16	15	13	4	11	17	14	19	15	49	VII
	Fx	1312	1136	945	754	208	528	714	518	551	270	52	I
Low rate of Interest on deposit s	F	15	15	11	19	17	10	15	14	5	19	50	V
	Fx	1230	1065	693	1102	884	480	630	518	145	342	63	
Poorer-bankin gserver	F	14	14	10	18	14	10	18	10	16	16	51	III
	Fx	1148	994	630	1044	728	480	756	370	464	288	01	
Frequent server failure	F	13	13	9	13	17	12	21	15	14	13	48	XI
	Fx	1066	923	567	754	884	576	882	555	406	234	90	

Table 2 shows that the main challenge felt by the members of PACCSs is cumbersome loan procedure as indicated by the members with highest mean score of 51.65. Followed by insufficient loan as indicated by the members with mean score of 51.51.

CONCLUSION AND SUGGESTIONS

In this paper, while examine the determinants to prefer PACCSs by members, it is found that easy to open an account has been ranked as first by the members of PACCSs. This has been identified by using Kendall's Co-efficient of Concordance ('W') test. Hence, it is suggested that PACCSs has should take all possible efforts to reduce the procedure for opening an account by members of PACCSs.

In this paper, while examine the challenges faced by the members of PACCSs, it is found that cumbersome loan procedure has been ranked as first by the members of PACCSs. This has been identified by using Garrett Ranking Technique. Hence, it is suggested that PACCSs should take all possible efforts to simplify the procedure to provide the loan to members.

By realizing the significance of the PACCSs in Indian Economy, the present study has been undertaken with the objectives like determinants to prefer the PACCSs to members and challenges faced by them. Both objectives have been examined with the help of the Kendall's Co-efficient of Concordance ('W') test and Henry Garrett Ranking Technique. On the basis of findings, some suggestive measurements have been offered. It is hope that the suggestive measurement will be more useful for the policy implication of the Authority concerned.

REFERENCES

1. Talluri Sreekrishna and Nageswara Rao (2015), "A study on problems and prospectus in Primary Agricultural Co-operative Credit Societies in Andhra Pradesh with Special Reference to Guntur District", Journal of Exclusive

- Management Science, Volume 4, Issue 3, March, pp.1-12
2. Paulo Anania (2016), "Factors Affecting Effective Youths' Participation in Agricultural Marketing Co-operatives in Tanzania Experience from selected Agricultural Co-operatives in Arusha and Moshi District Councils, Tanzania", 'International Journal of Economics, Commerce and Management, Vol 4, Issue 2, February, pp.709-731.
 3. Gopinathan and Velmurugan (2016), "A study on the service quality of the primary agricultural co-operative societies", International Journal of Commerce and Management Research, Volume 2 Issue 12, December, pp.99-101.
 4. Olumese and onemolease (2018), "An Analysis of Agricultural Co-operative Society and Economic Development in Ovia South West Communities of Edo State, Nigeria", Journal of Agricultural and Practice, Volume 3(5), October, pp. 107-112.