CHAPTER-III

RESEARCH METHODOLOGY

The preceding literature review has indentified the studies that have examined the influence and relationship of variables used in the study. This chapter posits the methodology used in the present investigation.

RESEARCH DESIGN

A research design specifies the methods and procedures for conducting a research work. According to Nargundkar (2006), research design is the plan, structure and strategy of investigation with an objective of obtaining answers or solution for the research question. It provides an overall operational pattern or work frame of the investigation that stipulates what information is to be collected from which source and by what procedures. There are several ways to study and tackle the research problem. This research comes under the category of description study as the researcher is interested in determining the relationship between different variables. The strength of survey research is the wide scope to collect detailed information from a sample of a large population.

STATEMENT OF THE PROBLEM

The self help group leader received money from the bank or other financial institutions to distribute to the all self help group members. In case of delay of repayment of loan there arises misunderstanding between group members, leader, and the bank. Self help group leader is not forced to take decision. It is difficult to manage the relationship between self help group leader and the members. The self help group leader financial transactions
common fund includes the savings, income, the penalty all the responsibility handling for leader. The self help group leader is unable to receive and give a huge amount of money from bank to start a business by the self help group members. So there arises conflict in within the groups and also financial crises, marketing, production problems. The problems exist among the leaders and self help group members there is a chance of un functioning the self help group. All the information is unable to pass on to self help group members absence of weekly or monthly meetings. Even the reports or notice from the government or any other financial institutions are not conveyed to the self help group leaders. Because of financial problems there is increase in poverty, low socio-economic status, low income, low savings, low profit, marketing problems, production problems, and therefore facing self help group. Self help group leaders cannot be fully involved in planning, organizing, controlling, directing, budgeting, reporting by the management activities.

OBJECTIVES OF THE STUDY

➢ To identify the importance of self help group in Namakkal district.

➢ To analyze the functional problems faced by leaders on self help group.

➢ To analyze the financial support on overcoming financial problem of the leaders on self help group.

➢ To study the association between personal factors and awareness level of the leaders on self help group.

➢ To measure the influence of functional problems on better management of the leader on self help group.

➢ To examine the management attributes of the leaders on self help group.
SIGNIFICANT OF THE STUDY

Self help groups have changed the lives of many poor women, by providing them economic gains on an ongoing and sustained basis. Therefore, mobilization and organization of women into self help group is equally important. Because these groups form the basis of income, strength, savings, loan and action and there by self help groups solving the problems is achieved. It has also been established that additional income in the hands of women has played larger positive impact than men, because women are more likely to spend the additional income for petty shop, tailoring shop, bakery, fancy stores, and food services. If women are excluded from the access to productive resources, social services of employment opportunity. It has been made to develop financial services for the women. The self help groups initially draw on their own accumulated savings and to provide loans to their self help groups.

Self help groups have emerged as a popular method of working with the people in the recent years. Power to the people in the recent years signifies new social movement which probably has borne out the realization and society’s traditional arrangements for solving their problems are inadequate. This movement stems from peoples’ desire to meet their needs and determine their own destination. The ordinals self help groups refers to provision of aid to self but self is also taken to mean internal, self help emphasis self determination, self-reliance, self-production, and self employment by mobilizing, internal resources for the persons to the group or the community. The importance of the self help groups arises from the fact that the poor area solved by the formal institutional institutions (viz., Banks, RRB, and Co-operative). These self help groups lending to the poor because of the high transaction cost involved in lending to them. Self help groups also assume importance in view of the fact
that money lenders subject to the poor to serve the exorbitant interest charges by forming into self help groups the poor can get over these problems. There have been constant organized efforts taken by the government agencies and NGOs to promote self help group as a mean for development of women self help group as a change agent which has been designed systematically to create income generating activities, identifying predominant factors of women development and their prospects and problems among the self help groups.

QUESTIONNAIRE

Based on the review of literature, variables have been identified for this research. A structured questionnaire was designed using those variables.

The questionnaire was divided into sections A, section B and section C. Section A consisted of questions pertaining to elicit personal details of the respondents. In section B, questions related to the socio-economic status, financial problems, marketing problems, production problems, human resource problems, financial support, and awareness level of self help group. Section C consists of question related to analyze the performance of self help group in the area of planning, organizing, directing, co-ordinating, controlling, budgeting, and reporting.

MEASURES

Researchers have used different scales, viz., 4 point Likert scale (Bagozzi and Yi, 1988), five point scale (King and Garey, 1997), six point scale (Woondruff et al. 1993), seven and even ten point scale (Choi and chu, 2001). Findings of Schall (2003) on comparing four, five, six, seven and 10 point Likert scale reveal that five point scales provides best results and commended. Hence, five point scales has been used in the survey instrument.
VARIABLES USED IN THE STUDY AND THEIR MEASUREMENT

Socio- Economic status of the self help group leader

Socio economic factors have been analyzed by eight dimensions adopted from Yoginder Singh (2013). They are able to mobilize the funds, able to participate in social activities, able to meet family needs, can meet all financial needs, able to save money, able to increase family income, able to fulfill health services, able to provide education facilities to the dependents.

Financial problems faced by self help group leader

This scale contains eight items adopted from Sanjay kanti das (2012). It consist of items such as lack of government support, existence of lengthy procedures to avail loan, inability of bank staff, lack of subsidy, lack of witness, lack of banker co-operation, In adequate loan amount, delay in sanctioning the loan. The items scored on a 5 point scale ranging from 5 strongly agree to 1- strongly disagree.

Marketing problems faced by self help group leader

Marketing problems have been measured by shweta singh et al. (2011). It consists of items such as stiff competitions, absence of advertisement, poor quality of products, low price, lack of product planning, ineffective personnel selling, lack of sales promotion, problems in physical distributions.

Production problems faced by self help group leader

Production problems contain 10 objects, measured by Savitha, et al. (2014). It consists of items such as high cost of production equipments, poor knowledge on operating the equipments, improper locations, lack of water facilities, scarcity of power and fuel, high
cost of production, non availability of raw materials, irregular supply of raw materials, high cost of transport and environmental issues. The items scored on a 5 point scale ranging from 5 strongly agree to 1- strongly disagree.

**Human resource management problems faced by self help group leader**

Human resource management problems consist of eight items measured by Sandeep Saxena (2012). It consists of items such as lack of leadership skill, In component group members, lack of training, lack of members involvement, conflict among group members, absence of motivations, lack of co-operations among members and Inexperience.

**Awareness level of self help leader activities**

This scale contains 10 items measured by Thenmozhi, et al. (2012). It consists of items such as awareness of employment opportunities, awareness of opening bank accounts, awareness of proper book keeping, awareness of financial position, awareness of loan details, awareness of financial operations, awareness of income generation activities, awareness of the capital shortage, awareness of the rate of interest, awareness about subsidy. The items scored on a 5 point scale ranging from 5 strongly agree to 1- strongly disagree.

**Planning**

Planning scale contains 6 items measured by Tripathi (2009). It consists of items such as have you planned all the self help group activity, needs can be fulfill loan throughout the year, have you planned savings and subsidy to fulfill the members, have planned working capital before start the business, have you plan opportunities and competitions and have planned to do business functions.
Organizing

Organizing scale contains 5 items measured by Tripathi (2009). It consists of items such as organize the professional trainings, find out the unorganized self help groups and organized them, organize the self help group continue to financial assistance, should organize the self help groups to repay the loan amount before installments, should organize encouraging efficiency. The items scored on a 5 point scale ranging from 5 strongly agree to 1- strongly disagree.

Directing

Directing scale contains 5 objects measured by Tripathi (2009). It consists of items such as directing the self help groups to do the business together, to direct and maintaining records, receipt, vouchers, cash book and pass book, direct the self help groups to increase the common funds, market information daily sharing to self help groups.

Co-ordination

Co-ordination scale contains 6 objects measured by Tripathi (2009). It has items such as individual members cannot be doing any activities but group only developed all activities, Through coordinating self help groups administration skills increases, achieves the aim of the self help group members joining together, members having the social network, should not give place for other opinions and give importance to the criteria development of administration, self help groups relationship with banking sectors. The items scored on a 5 point scale ranging from 5 strongly agree to 1- strongly disagree.
**Controlling**

Controlling scale contains 4 items measured by the researcher (2014). It consists of items such as Control the expense in the working capital, every year through maximum expenditure can control of self help groups, control the outstanding of self help group loan, Control the high interest of rate and training expenses. The items scored on a 5 point scale ranging from 5 strongly agree to 1- strongly disagree.

**Budgeting**

Budgeting scale contains 4 items measured by the researcher (2014). It consists of items such as have finance allotted from the budget, budget implement within the duration of self help groups, year wise fund prepare of the budget, have registered income and expenditures in budget. The items scored on a 5 point scale ranging from 5 strongly agree to 1- strongly disagree.

**Reporting**

Reporting scale contains 4 items measured by the researcher (2014). It consists of items such as reports from the government and banks should be informed to self help groups, the account register, vouchers, cash book, should be maintain through reports, once in three months check bank balance reports, Discussions and information must be placed on the notice board and financial status to each person’s inform through reports.

**DATA COLLECTION**

The researcher approached the collector office at Namakkal district. There he met the project officer, Tamilnadu Women Development Corporation (TWDC). From them, the researcher collected all particular about the self help group. With the help of non-
governmental organization field officer, the researcher personally met the self help group leaders for collecting the data.

PILOT STUDY

After designing the instrument, opinions from 9 experts (academicians) were gathered and necessary corrections were carried out. The questions have been collected from the sample of 50 respondents of self help group leaders in Namakkal district, based on the nearness and accessibility. During the pilot study, problems faced by respondents in filling up questionnaire were identified and necessary corrections were incorporated and the final draft of the questionnaire was framed.

VALIDITY TEST

Examination of the values of pearson correlation for all the items used in the study indicates that there is no problem with convergent and discriminate validity. Items belonging to the same variable had better correlation (coefficients ranged from 0.416 to 0.864) than items relating to different variables (coefficient ranged from to 0.108 to 0.568). To determine construct validity, factor analysis was used. To find out whether an item is part of a factor, as suggested by Nunnally (1978), factor loading of 0.4 was used as the cutoff point. The factors were extracted using principle component analysis and rotation method of varimax with Kaiser Normalization. Items meant to measure the same construct were grouped together, confirming that the items measured the same variable. The rotated factor matrix showed that factor loading ranged from 0.403 to 0.798, thus satisfying Nunnally’s criterion.

The first step in the measurement of validation involved computing co-efficient alpha for each set measures to test reliability. Chronbach’s alpha is used to test the reliability of a
multi item scale. The co-efficient of Cronbach alpha is shown in table. The cutoff point is generally 0.6 (Haide et al, 1999) or 0.5 (Nunnally, 1967). Since all the values lie between 0.70 and 0.93, the construct of this questionnaire is reliable. In sum, the evidence suggests that our scale has adequate measurement properties.

Table 3.1 Reliability Test- Values of Chronbach Alpha

<table>
<thead>
<tr>
<th>S.No.</th>
<th>Variables</th>
<th>No. of items</th>
<th>Adopted from</th>
<th>Cronbach Alpha</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Socio- Economic status</td>
<td>8</td>
<td>Yoginder Singh et al, 2013</td>
<td>0.712</td>
</tr>
<tr>
<td>2</td>
<td>Financial problems</td>
<td>8</td>
<td>Rajendran et al, 2011.</td>
<td>0.814</td>
</tr>
<tr>
<td>3</td>
<td>Marketing problems</td>
<td>8</td>
<td>Shweta Singh et al., 2012</td>
<td>0.916</td>
</tr>
<tr>
<td>4</td>
<td>Production problems</td>
<td>10</td>
<td>Savitha et al, 2014</td>
<td>0.715</td>
</tr>
<tr>
<td>5</td>
<td>Human resource management problems</td>
<td>8</td>
<td>Sandeep Saxena, 2012</td>
<td>0.812</td>
</tr>
<tr>
<td>6</td>
<td>Financial support</td>
<td>5</td>
<td>Thalavai Pillai, 2010</td>
<td>0.722</td>
</tr>
<tr>
<td>7</td>
<td>Awareness of self help group</td>
<td>10</td>
<td>Thenmozhi et al, 2012</td>
<td>0.866</td>
</tr>
<tr>
<td>8</td>
<td>Planning</td>
<td>6</td>
<td>Tripathi, 2009.</td>
<td>0.751</td>
</tr>
<tr>
<td>9</td>
<td>Organizing</td>
<td>5</td>
<td>Tripathi, 2009.</td>
<td>0.762</td>
</tr>
<tr>
<td>10</td>
<td>Directing</td>
<td>5</td>
<td>Tripathi, 2009.</td>
<td>0.867</td>
</tr>
<tr>
<td>11</td>
<td>Co-ordination</td>
<td>6</td>
<td>Tripathi, 2009.</td>
<td>0.673</td>
</tr>
<tr>
<td>12</td>
<td>Controlling</td>
<td>4</td>
<td>By the researcher (2014)</td>
<td>0.911</td>
</tr>
<tr>
<td>13</td>
<td>Budgeting</td>
<td>4</td>
<td>By the researcher (2014)</td>
<td>0.711</td>
</tr>
<tr>
<td>14</td>
<td>Reporting</td>
<td>4</td>
<td>By the researcher (2014)</td>
<td>0.812</td>
</tr>
</tbody>
</table>
MAIN STUDY

Namakkal district was taken as the research area due to accessibility. The target population for this research is self help group leaders in Namakkal district. Data were gathered over a 45 days period in 2013 i.e, from 15.10.2013 to 30.11.2013.

SAMPLE SIZE DETERMINATION

The Self help groups in Namakkal district of tamilnadu state were chosen as the sample for the study. The total self help groups in Namakkal district were 14025. In order to determine the sample size mathematical formula suggested by Taro yamane (1967) has been used to ensure the sample size.

\[
\text{Sample determination} = \frac{N}{1 + N(e)^2}
\]

Where

- \( n \) = Sample size
- \( e \) = error level
- \( N \) = Estimated total numb

In this study the total number of self help group14025

The sample size of the study is

\[
n = \frac{14025}{1 + 14025(0.05)^2} = 390
\]

Sample size

The present study is mainly based on primary data collected from self help group leaders in Namakkal district of Tamilnadu. Simple random sampling was adopted for the present study. The sample size of the study was 390 self help group leaders. The sample size
has to be increased by 10% of respondents to minimize the error rate. Hence, the total size of the sample in 429 self help group leaders.

**PROCEDURE**

The data were collected from self help group leaders in Namakkal district. By adopting simple random sampling technique, the researcher personally met the self help group leaders. Before giving the questionnaire, the researcher explained the actual purpose of the study and sought their co-operation.

Out of 429 questionnaires distributed, 13 respondents got bored in the middle of filling the questionnaire. 10 respondents marked extreme responses for all the questions which made the researcher to conclude that they might have marked the opinion without paying serious attention. After careful scrutiny, few questionnaires were also discarded for incomplete responses. Finally the effective samples were settled at 400 representing 93 percent response rate. Then the data were fed into the computer for analysis. The sample consisted of heterogeneous respondents from different districts.