

# Factors Determining Cooperative Societies' Housing Finance Acceptance in Gombe, Nigeria

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**Abstract.** Housing finance in developing countries is not readily available, and access to which is increasingly becoming difficult. The government has not been able to tackle the problem of housing shortages, especially in cities, as caused by population growth and increased urbanisation rate. There is, therefore, the need for interest groups like cooperative societies to come in. The study aimed at assessing the factors determining cooperative societies' housing finance acceptance in Gombe to identify the descriptive levels of variables, adopting the Theory of Planned Behaviour. Using stratified random sampling, close-ended structured questionnaires designed in 5-point Likert Scale were used to get a total of 283 valid questionnaires used for the analysis. The findings supported the fitness of the traditional variables of TPB in predicting willingness to accept the present (study's) housing financing model. The levels of the research model's constructs were very high performance based on their mean and standard deviation. Thus, all the constructs can fit into the research model. The study recommends a further analysis to determine the statistical relationship among the model's constructs to validate the TPB in this domain.

**Keywords:** housing finance; cooperative societies; Theory of Planned Behaviour; Gombe; Nigeria.

## 1. INTRODUCTION

Housing has remained an observable fact facing people. It characterises one of the most basic human needs having a severe impact on people's health, welfare, and productivity worldwide [34]. The increased demand for housing in urban centres of Africa is an outcome of rapid and extensive scale urbanisation, which is mainly due to rural-urban migration and high population growth rates [26]. The migration of rural households to urban areas in search of better opportunities has been placed. It will continue to place immense pressure on affordable land and housing in such urban areas [32].

Finance is an indispensable requirement for housing provision and has often been adjudged to be the sustenance in real estate development. The availability of adequate housing finance is the fulcrum of any effective and sustainable shelter scheme. The development of cities is a direct reflection of how their housing is being financed [24]. For instance, [9] reasoned that where there is a well-structured housing finance system, the city appears to be well organised with well-built houses. It has further been suggested that hous-

ing finance institutions in developing countries should develop informal sector links to tap the immense potential financial resources in the hands of the informal sector [18]. Domestic resource mobilisation through savings is all the more critical for housing provision, given that housing is a local and long-term product. Therefore, the challenge is formalising this financing model and integrating it into the formal financial system [23, 24].

Cooperative societies are means through which people collectively achieve their social and economic needs in a democratic setting [28]. Cooperative societies are seen as an economic tool as they can generate savings needed by private finance organisations to providing housing finance [17, 10]. The activities of cooperative societies reflect how they can serve to meet a diversity of socio-economic problems.

This is corroborated by [8] in their study of cooperatives' activities in Lagos Metropolis.

Academics are confident in the involvement of cooperative societies in housing. This may be due to the track record of studies on cooperative so-

cieties and housing [28]. Furthermore, researchers by various authors like [30, 20, 27, 29, 11] on cooperative housing have agreed that cooperative societies should have a more defined role in housing finance and provision. Hence, the study attempts to apply the Theory of Planned Behaviour (TPB) in the context of cooperative housing financing in Gombe and expects to identify the behavioural level regarding cooperative's housing financing using the TPB.

*The Theory of Planned Behaviour.* The Theory of Planned Behaviour is a theory that has been used to explain a variety of human behaviours in different contexts or domains. The underlying premise is that behaviour is planned and purposeful [1]. The theory holds that individuals make rational decisions to engage in (or not) a chosen behaviour. The decisions are products of an individual's evaluation of the favourableness or otherwise of the outcomes from engaging in the behaviour in question [33, 12]. The TPB was developed as an extension of the Theory of Reasoned Action (TRA) wherein, attitude and subjective norms are the components that contribute to the intention, which can lead to actual behaviour [2]. However, it was later revealed that intention could only accurately predict behaviour when the behaviour is under the individual's voluntary control [1]; therefore, it added its perceived behavioural control in the TRA and named the new model TPB. This theory has been widely investigated and has survived the rigour of establishing the delicate relationship between behavioural intention and its determinants; attitude, subjective norm and perceived behavioural control in some contexts, including in-home financing [21, 16]. The constructs used in the study (as adopted from TPB with an added construct) are;

**Attitude:** Attitude toward a behaviour is the individual's positive or negative feelings about performing a behaviour. Attitude is an evaluative disposition based upon cognitions, affective reactions, behavioural intentions and past behaviours, and it describes general individual feelings of favour or disfavour toward a specific behaviour [19]. [14] argued that attitude is a strong indicator of intention to perform a given action. Previous researchers define and explain attitude [5, 4] as the person's favour or disfavour toward action. Attitude is a psychological tendency expressed by evaluating a particular entity with some degree of favour or disfavour.

**Subjective Norm:** Subjective norm denotes a persons' perception, as affected by the view of other people who are close or important to him, regarding the performance of specific behaviour [14]. This is the social element of the theory of planned behaviour that considers perceived social influence to positively or negatively impact intention to carry out or perform a behaviour. This can be described as complying with the expectations of others about engaging in the behaviour [6, 13]. Subjective norm is the second determinant of intention in the TPB model is characterised by [3, 31] as the measure of perception that a person holds about the level of a social force to perform or not perform a behaviour.

**Perceived Behavioural Control:** Perceived behavioural control being one of the components of the traditional TPB model, is explained as one's ability to control his decision. This can determine one's behaviour [7]. It is described as the perceived ability and confidence a person possesses in performing a behaviour. Similarly, [33] asserted that perceived behavioural control embraces two components of resource availability needed to engage in the said behaviour and one's confidence in his ability to conduct the behaviour.

**Cognitive perception:** Attitude, subjective norm and perceived behavioural control are the traditional variables of the TBP model which can explain people's intention to engage in a specific behaviour. Authors [3, 12] further explained the model's flexibility in accommodating additional variable(s) to suit different contexts. Functional elements to be reflected will largely depend on the specific behaviour and population under study, underlying the fact that people's varying understandings and dispositions can lead to different beliefs regarding the target behaviour. Authors [12, 14] elucidate that incorporating other variables in the original TPB model can give a better understanding of the fundamental explanatory variables of the model, hence, encouraging knowledge on possible origins of behavioural, normative and control beliefs and direct effect of such added variable(s) on intention to perform the said behaviour.

The study's main objective is to examine the factors determining cooperative societies' housing finance acceptance in academic institutions to identify the descriptive levels of variables adopting the Theory of Planned Behaviour (TPB). This is achievable through the following specific objectives: 1) To identify the level of behavioural

attitude, subjective norms of the respondents in Gombe. 2) To identify the respondents' perceived behavioural control and cognitive perception towards the cooperative society's housing financing in Gombe.

## METHODOLOGY

A descriptive survey design using a quantitative approach was adopted for the study. Two cooperative societies, each from a federal and a state institution, were used; a sample size of 283 was randomly selected from the population which comprised the cooperative societies' members. The questionnaire was designed in a 5-point Likert scale ranging from "very high" to "very low". The data collected were analysed using mean and standard deviation.

## RESULTS AND DISCUSSION

*Respondents' Demographics.* Analysis of the respondents' demographic characteristics shows that more than half of the respondents are 21-40 years (55.1%), with 43.1 % in the range of 41-60 years and 1.8 % above 60 years. The gender distribution of the respondents indicated that 69.6 % are male, with 30.4 % female. Respondents' educational background shows that more than half (53.4%) possessed HND or degree. At the same time, 27.2 % have masters and above, with only 19.4 % having a Diploma or NCE.

*The Level of Behavioural Attitude.* Descriptive analysis was carried out to identify the level of the respondents' attitude towards cooperative societies' housing financing in the study area. As shown in table 1, the findings revealed that the indicator with the highest mean value is 'the idea of cooperative's housing financing being wise (mean=4.375, SD=.625). On the other hand, the least level is 'likelihood to choose cooperative's housing financing' (M=4.237, SD=.562), and the average mean of the construct is M=4.30.

Table 1 – Descriptive Statistics for Behavioural Attitude

SN	Indicators	Mean	Std. Dev.	Rank	Level
1	The idea of cooperative's housing financing being wise	4.375	.625	1st	Very High
2	The goodness of the idea of cooperative's	4.335	.593	2nd	Very High

SN	Indicators	Mean	Std. Dev.	Rank	Level
	housing financing				
3	Importance of the idea of cooperative's housing financing	4.318	.623	3rd	Very High
4	Reasonableness of the idea of cooperative's housing financing	4.244	.699	4th	Very High
5	likelihood to choose cooperative's housing financing	4.237	.562	5th	Very High

*The Level of Subjective Norm.* The findings presented in Table 2 show that all construct items measured very high for the subjective norm. Indicators with the highest and the least identified levels are; respondents' perception of how their family and friends see the idea of accepting cooperative's housing financing being wise, with a mean of 4.339 and standard deviation of 0.617 and what will be their tolerance level for one's acceptance of cooperative's housing financing (M=4.042, SD=.882) respectively. The overall mean value of the construct is 4.202.

Table 2 – Descriptive statistics for subjective norm

SN	Indicators	Mean	Std. Dev.	Rank	Level
1	Family and friends' perspective of how wise your idea of accepting cooperative's housing financing	4.339	.617	1st	Very High
2	Family and friends' agreement for your accepting cooperative's housing financing	4.226	.733	2nd	Very High
3	Family and friends' recommendation level	4.226	.693	3rd	Very High
4	What will be their approval level of you accepting cooperative's housing financing	4.180	.816	4th	High
5	What will be their tolerance level for you to accept cooperative's housing financing	4.042	.882	5th	High

*The Level of Perceived Behavioural Control.* The results in table 3 show that the opportunity to decide on accepting cooperative's housing financing (M=4.3392, SD=.76593) recorded the highest level. The minor level recorded is 'having

resources to help one accept cooperative's housing financing' ( $M=4.0424$ ,  $SD=.82834$ ), and the overall mean 4.1865.

Table 3 – Descriptive Statistics for Perceived Behavioural Control

SN	Indicators	Mean	Std. Dev.	Rank	Level
1	Opportunity to decide on accepting cooperative's housing financing	4.3392	.76593	1st	Very High
2	Having skill and knowledge to decide on accepting cooperative's housing financing	4.2792	.72186	2nd	Very High
3	Ability to choose cooperative's housing financing	4.2261	.76614	3rd	Very High
4	The time you have to decide on cooperative's housing financing	4.0459	.78189	4th	High
5	Having resources to help one in accepting cooperative's housing financing	4.0424	.82834	5th	High

*Descriptive Level of Cognitive Perception.* The results as presented in Table 4 shows the variable with the highest level as 'Advantage of using cooperative housing loan' ( $M=4.3922$ ,  $SD=.55691$ ), the least identified level is 'Difficulty level of obtaining cooperative housing loan' ( $M=2.6608$ ,  $SD=.86179$ ), and the average mean of the construct is  $M=4.0242$ .

Table 4 – Descriptive Statistics for Cognitive Perception

SN	Indicators	Mean	Std. Dev.	Rank	Level
1	Advantage of using a cooperative housing loan	4.3922	.55691	1st	Very High
2	Security of your	4.3286	.75427	2nd	Very

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SN	Indicators	Mean	Std. Dev.	Rank	Level
	investment/income in the cooperative society				High
3	Importance of cooperative's housing financing	4.3110	.56693	3rd	Very High
4	Effectiveness of funds management of the cooperative society	4.2120	.80618	4th	Very High
5	The reality of obtaining a housing loan from the cooperative society	4.1767	.91319	5th	High
6	Ease of obtaining housing loan in the cooperative society	4.0883	.99786	6th	High
7	The difficulty level of obtaining a cooperative housing loan	2.6608	.86179	7th	Moderate

## CONCLUSIONS

This study aimed at identifying the levels of the determinants of housing finance acceptance in the study area. The findings supported TPB in predicting willingness to accept the present (study's) housing financing model. Furthermore, this study contributes to the consumer behaviour literature by examining the consumer factors embedded in the TPB model regarding housing financing. The constructs levels are generally high, indicating that the operational items fit well in the model's constructs. This also revealed that people would find the cooperative's housing financing model more promising if they perceive that the acceptance is supported by the people close and essential to them and have voluntary control of the factors. Finally, the study encouraged further analysis to determine the model's constructs' statistical relationship to validate the TPB in the cooperative housing financing domain.

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