IMPACT OF ECONOMIC COMPONENTS BY LEVEL OF EXPERIENCE OF COOPERATIVE MANAGERS ON THEIR PERFORMANCE: A CASE STUDY ON THE PERFORMANCE OF MANAGERS OF MEHR HOUSING COOPERATIVES

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Abstract
The purpose of this study was to examine impact of economic components (amount of debt, level of inflation, general level of prices, amount of working capital, capacities for using low interest loans, cooperative market share) by the experience of co-operative managers on performance of managers of Mehr housing cooperatives in Guilan province-Iran. The present study in term of objective is applied research and in terms of collecting data is field and according to the form of the hypotheses is descriptive and analytic of causal type. The statistical population of this research is all executives of Mehr Housing Cooperative Companies in Guilan province-Iran. The number of companies active in Mehr housing in Guilan province is 125 cases according to statistics obtained from the Guilan Cooperative Office. The sample size in this research is 300 executives who are active in Mehr Reza Housing. The designed questionnaire, after verifying its validity through content validity and its reliability through Cronbach's alpha, was distributed throughout the statistical society. Findings of the research showed that there is a significant relationship between the economic components of Mehr Reza housing and experience of active managers in Mehr Reza Housing and performance of executive managers of Mehr Reza Housing.

Keywords: Amount of Debt, Level of Inflation, Amount of Working Capital, Experience of Managers, Performance of Executive Managers

Introduction

In developing countries and third world countries, due to higher population growth and urban development, and lack of optimal investment in economic and social affairs and political and economic poverty, the provision of basic social affairs such as health, education, employment, food, housing, etc., have complex problems. The constitution of the Islamic Republic of Iran in Articles 43 and 44 (Book of the Constitution of the Islamic Republic of Iran) has introduced co-operation as one of the economic sectors of the country. With the facilities provided for this sector, the cooperative sector can create People's organizations with its attractions and links missing cycles in the economic chain of the country (Gilaninia & et al, 2016). The basic human mind is one of the first civil society initiatives to work in a coordinated manner and in line with common goals. The cooperative organization is considered to be the most rational social and economic tool that has been thought by human and is intended to carry out certain tasks in specific circumstances.

Supply of housing needs in recent decades has been one of the most important problems of different classes of society, especially low income families in the country. Factors such as increasing population and increasing
urbanization tendency, which has increased demand for housing, the use of low-durability materials and unexpected and destructive accidents that have reduced existing housing stock, the attractiveness of personal housing and the young age of applicants for entry into the housing market that has caused psychological, social and mental disorder in the harmonious order of the habitat, residential tissue abnormalities and ultimately increasing poverty in the community, migrating from rural to urban areas, environmental pollution, heavy traffic and wasting time and energy and human resources, degradation of good agricultural land, urban services costs, excessive price rises, imbalance between supply and demand in the last few years has greatly increased the housing shortage problem (affordable housing).

Statement of Problem

Housing as shelter is one of the most urgent human needs in the triple series (food, clothing and housing). The importance of housing to the extent that the first paragraph of Article 43 of the Constitution of the Islamic Republic of Iran (the book of the Constitution of the Islamic Republic of Iran) considers it as one of the duties of the government. In Iran, housing for low-income groups has always been problematic. Housing is always one of the basic needs in every society and trying to get it is something that never disappears. Governments always consider the provision of housing as an inalienable and inevitable part of their programs to provide a strong program for the proper administration of countries (Gilamnia & et al, 2015). Mehr housing is a topic that has been on the agenda in recent years in order to improve the housing situation. The plan eliminates land prices from housing, with the goal of providing housing for low-income groups in the community and provided housing units with a 99-year lease.

![Marketing mix elements](image)

Figure 01: The Analytical Model of Research

Mehr housing cooperatives have been eliminating the price of the cost of providing construction units for low income people. The value of land in different cities is markedly disputed. In other words, the value of land in metropolitan areas is very high and for this reason Mehr housing in metropolises (in fact, the new cities adjoining metropolises) will be responsive and this in turn will increase the desire to migrate to the cities (Bazmazmoon, 2007). Of course this project has created other serious problems in the field of national economy, urban management, urban development planning, and so on which has been discussed in numerous articles. But unfortunately, the government, and in particular the Minister of Housing and Urban Development of the tenth government, has repeatedly stated in unofficial meetings that he believes "by implementing Mehr House project, it can be proved that theories of economics are mistaken" (Saeidnia, 2004: 58). Controlling deployed innovators accept service use in residential areas subject to the removal of streets and the avoidance of complex use within a region, as well as the separation of housing from subordinate housing elements (Razavian, 2002: 42). In general, less research has been done on all factors of Mehr Housing assessment in a case study, and in most studies only a part of the criteria has been considered (Khalili & et al, 2014). The response to the housing needs of low-income groups has been considered in development programs in the form of various policies (Ghazizadeh, 2013). Builders of Mehr housing which are building housing in the form of tripartite memorandum, do not included Taxable Article 104 of the Direct Tax Code. Based on this, 5% fee paid contractors deposit as a tax deduction to the account set by state tax administration and give its receipt to taxpayers (Nikzad, 2012). In recent years, the government has put in place a low-cost housing unit to prevent rising land prices and provide housing for low-income households without housing which was named "Mehr Housing" (Doroodi & et al, 2014).
Research Model

Figure 02: the primary analytical model and adjusted model (Gilaninia, 2017)

According to research model, hypotheses of research are as follows:

1. The level of experience of executive managers affects their performance;
2. The amount of debt by level of experience of executive managers affect performance of executive managers of Mehr housing cooperatives
3. The level of inflation by level of experience of executive managers affects performance of executive managers of Mehr housing cooperatives.
4. The general level of prices by level of experience of executive managers affects performance of executive managers of Mehr housing cooperatives.
5. The amount of working capital by level of experience of executive managers affects performance of executive managers of Mehr housing cooperatives.
6. Capacities for using low interest loans by level of experience of executive managers affect performance of executive managers of Mehr housing cooperatives.
7. Cooperative market share by level of experience of executive managers affects performance of executive managers of Mehr housing cooperatives.

Research Methodology

The present research in term of objective is applied research and in terms of collecting data is field and according to the form of the hypotheses is descriptive and analytic of the causal type. The statistical population of this research is all executives of Mehr Housing Cooperative Companies in Guilan province-Iran. The number of companies active in Mehr housing in Guilan province is 125 cases According to statistics obtained from the Guilan Cooperative Office. The sample size in this research is 300 executives who are active in Mehr Reza Housing. The designed questionnaire, after verifying its validity through content validity and its reliability through Cronbach's alpha, was distributed throughout the statistical society. In order to describe the data distribution, the descriptive statistics index was used and the significance analysis of the B coefficients in single and multivariate regression equations was used to examine the relationship between the cause and effect of the variables.
Data Analysis

**Table 01: Summary of hypotheses analysis results**

<table>
<thead>
<tr>
<th>Hypotheses</th>
<th>Constant</th>
<th>Non-standard Beta</th>
<th>Beta</th>
<th>t-value</th>
</tr>
</thead>
<tbody>
<tr>
<td>First Hypothesis</td>
<td>1.97</td>
<td>0.126</td>
<td>0.18</td>
<td>0.014</td>
</tr>
<tr>
<td>Second Hypothesis</td>
<td>1.07</td>
<td>0.292</td>
<td>0.365</td>
<td>0.000</td>
</tr>
<tr>
<td>Third Hypothesis</td>
<td>0.93</td>
<td>0.403</td>
<td>0.478</td>
<td>0.000</td>
</tr>
<tr>
<td>Fourth Hypothesis</td>
<td>0.978</td>
<td>0.351</td>
<td>0.331</td>
<td>0.000</td>
</tr>
<tr>
<td>Fifth Hypothesis</td>
<td>1.18</td>
<td>0.242</td>
<td>0.19</td>
<td>0.009</td>
</tr>
<tr>
<td>Sixth Hypothesis</td>
<td>1.278</td>
<td>0.103</td>
<td>0.187</td>
<td>0.01</td>
</tr>
<tr>
<td>Seventh Hypothesis</td>
<td>0.645</td>
<td>0.658</td>
<td>0.546</td>
<td>0.000</td>
</tr>
</tbody>
</table>

**First hypothesis**

The level of experience of executive managers affects their performance;
The results of research showed that experience level has a significant effect on the performance variable of executive managers, and the prediction model is as follows:

\[
\text{Performance of executive managers} = 1.97 + 0.126 \times \text{(Experience level)}
\]

The positive sign of beta coefficient on the experience level indicates a direct relationship with criterion variable (performance of executive managers). In other words, in the event of an increase of 1 unit of experience, the performance of executive managers will increase by 0.126 units. Considering that, significance levels in the test of this index has obtained 0.014 and is smaller than 5% error, it can be stated that this effect is meaningful and hypothesis is confirmed, In other words, the level of experience of executive managers affects their performance.

**Second hypothesis**

The amount of debt by level of experience of executive managers affect performance of executive managers of Mehr housing cooperatives
The results indicate that amount of debt has a significant effect on criterion variable (level of experience of executive managers), therefore, according to the estimated parameters, the prediction model is as follows:

\[
\text{Experience level of executive managers} = 1.07 + 0.292 \times \text{(amount of debt)}
\]

The positive sign of beta coefficient for amount of debt indicates a direct relationship with criterion variable (level of experience of executive managers). In other words, in the event of an increase of 1 unit of amount of debt, level of experience of executive managers will increase by 0.292 units. Considering that, significance levels in the test of this index has obtained 0.000 and is smaller than 5% error, it can be stated that the effect of the amount of debt on the level of managers’ experience and the effect of managers’ experience on their performance has a significant effect, therefore, the second hypothesis is accepted with 95% confidence. Amount of this effect is equal \((0.180 \times 0.365) \times 100 = 6.57\%

**Hypothesis 3**

The level of inflation by level of experience of executive managers affects performance of executive managers of Mehr housing cooperatives.
The results indicate that level of inflation has a significant effect on criterion variable (level of experience of executive managers), therefore, according to the estimated parameters, the prediction model is as follows:

\[
\text{Experience level of executive managers} = 0.93 + 0.403 \times \text{(level of inflation)}
\]

The positive sign of beta coefficient for level of inflation indicates a direct relationship with criterion variable (level of experience of executive managers). In other words, in the event of an increase of 1 unit of level of inflation, level of experience of executive managers will increase by 0.403 units. Considering that, significance levels in the test
of this index has obtained 0.000 and is smaller than 5% error. It can be stated that level of inflation by the level of managers' experience affect their performance. Therefore, the third hypothesis is accepted with 95% confidence. Amount of this effect is equal $(0.180 \times 0.478) \times 100 = 8.6$%

**Fourth hypothesis**

The general level of prices by level of experience of executive managers affects performance of executive managers of Mehr housing cooperatives. The results indicate that general level of prices has a significant effect on criterion variable (level of experience of executive managers), therefore, according to the estimated parameters, the prediction model is as follows:

\[
\text{Experience level of executive managers} = 0.978 + 0.351 \times \text{(general level of prices)}
\]

The positive sign of beta coefficient for general level of prices indicates a direct relationship with criterion variable (level of experience of executive managers). In other words, in the event of an increase of 1 unit of level of inflation, level of experience of executive managers will increase by 0.351 units. Considering that, significance levels in the test of this index has obtained 0.000 and is smaller than 5% error. It can be stated that general level of prices by the level of managers' experience affect their performance. Therefore, the fourth hypothesis is accepted with 95% confidence. Amount of this effect is equal $(0.180 \times 0.331) \times 100 = 5.9$%

**Fifth hypothesis**

The amount of working capital by level of experience of executive managers affects performance of executive managers of Mehr housing cooperatives. The results indicate that the significance level of test for this component is 0.009 and less than the error of 5% and show that amount of working capital has a significant effect on criterion variable (level of experience of executive managers). Therefore, according to the estimated parameters, the prediction model is as follows:

\[
\text{Experience level of executive managers} = 1.18 + 0.242 \times \text{(amount of working capital)}
\]

The positive sign of beta coefficient for amount of working capital indicates a direct relationship with criterion variable (level of experience of executive managers). In other words, in the event of an increase of 1 unit of amount of working capital, level of experience of executive managers will increase by 0.242 units. Considering that, significance levels in the test of this index has obtained 0.009 and is smaller than 1% error. It can be stated that amount of working capital by the level of managers' experience affect their performance. Therefore, the fifth hypothesis is accepted with 95% confidence. Amount of this effect is equal $(0.180 \times 0.19) \times 100 = 3.42$%

**Sixth hypothesis**

Capacities for using low interest loans by level of experience of executive managers affects performance of executive managers of Mehr housing cooperatives. The results indicate that capacities for using low interest loans have a significant effect on criterion variable (level of experience of executive managers). Therefore, according to the estimated parameters, the prediction model is as follows:

\[
\text{Experience level of executive managers} = 1.27 + 0.103 \times \text{(low interest loans)}
\]

The positive sign of beta coefficient for low interest loans indicates a direct relationship with criterion variable (level of experience of executive managers). In other words, in the event of an increase of 1 unit of low interest loans, level of experience of executive managers will increase by 0.103 units. Considering that, significance levels in the test of this index has obtained 0.01 and is smaller than 5% error, It can be stated that low interest loans due to the level of managers' experience affect their performance. Therefore, the sixth hypothesis is accepted with 95% confidence. Amount of this effect is equal $(0.180 \times 0.187) \times 100 = 3.36$%
Seventh hypothesis

Cooperative market share by level of experience of executive managers affects performance of executive managers of Mehr housing cooperatives. The results indicate that cooperative market share has a significant effect on criterion variable (level of experience of executive managers). Therefore, according to the estimated parameters, the prediction model is as follows:

$$\text{Experience level of executive managers} = 0.645 + 0.658 \times \text{(cooperative market share)}$$

The positive sign of beta coefficient for cooperative market share indicates a direct relationship with criterion variable (level of experience of executive managers). In other words, in the event of an increase of 1 unit of cooperative market share, level of experience of executive managers will increase by 0.658 units. Considering that, significance levels in the test of this index has obtained 0.000 and is smaller than 5% error. It can be stated that cooperative market share by the level of managers' experience affect their performance. Therefore, the sixth hypothesis is accepted with 95% confidence. Amount of this effect is equal $(0.180 \times 0.546) \times 100 = 9.82$

Main hypothesis: economic components by level of experience of executive managers affect performance of executive managers of Mehr housing cooperatives. The results indicate that economic components including amount of debt; level of inflation; general level of prices; amount of working capital; capacities for using low interest loans; cooperative market share affect performance of executive executives. The total effect of these factors is 37.67. In other words, economic components by level of experience of executive managers affect their performance at a rate of 37.67%.

Conclusion and Recommendations

Findings of the research showed that there is a significant relationship between the economic components of Mehr Reza housing and experience of active managers in Mehr Reza Housing and performance of executive managers of Mehr Reza Housing. The theoretical framework presented in this study will be useful and effective in understanding and recognizing the impact of the economic components by experience of co-operative managers on performance of managers of Mehr housing cooperatives. According to the results of analysis of research hypotheses, it is suggested to managers and staff of housing co-operative that:

Considering the confirmation of the first hypothesis about the impact of executive managers' experience on the performance of managers:

- Executives use their human skills in Mehr housing cooperatives and psychology topics for optimal communication.
- Executives use their cognitive skills in Mehr housing cooperatives.
- Executives use their technical skills in Mehr Housing Cooperative and provide the necessary steps to learn new technical teachings.
- Executives use their design skills in Mehr housing cooperatives.

Considering the confirmation of the second hypothesis based on impact of amount of debt by level of executive managers' experience on performance of executive managers of Mehr housing cooperatives:

- Set the amount of debt (housing cooperative companies) in proportion to its assets.
- Determine amount of debt (housing cooperative companies) according to the length of the project implementation.

Considering the confirmation of the third hypothesis based on impact of the level of inflation by level of executive managers' experience on performance of executive managers of Mehr housing cooperatives:

- Take the necessary measures to coordinate the inflation rate in building materials and to estimate and forecast them more accurately.
- Control the cost of human resources and management costs.

Considering the confirmation of the fourth hypothesis based on impact of the general level of prices by level of executive managers' experience on performance of executive managers of Mehr housing cooperatives:
- The price changes of the raw materials are controlled by the relevant guild.
- Provides satisfaction of a skilled and semi-skilled work force that has a history of collaboration in order to make less change in this area.

Considering the confirmation of the fifth hypothesis based on impact of the amount of working capital by level of executive managers' experience on performance of executive managers of Mehr housing cooperatives:

- try to match the immediate ratio to the standards of the building industry by using expert and experienced managers.
- try to match the current ratio with the standards of the building industry by using expert and experienced managers.

Considering the confirmation of the sixth hypothesis based on impact of capacities for using low interest loans by level of executive managers' experience on performance of executive managers of Mehr housing cooperatives:

- Mehr Housing Cooperative Companies can communicate with low-interest financing sources.
- Funds will be available to Mehr Housing cooperative companies.
- Government support from Mehr housing projects and in terms of funding.

Considering the confirmation of the seventh hypothesis based on impact of cooperative market share by level of executive managers' experience on performance of executive managers of Mehr housing cooperatives:

- improve distribution network (more share of housing sales).
- The quality of cooperative apartments is more successful than private-owned apartments.

References


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