

## Self-Help Groups-An Engine for Women Entrepreneurship Development: A Study

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### Abstract

A typical rural women's self-Help Group (SHG) is a good example of capacity building for prospective women entrepreneurs. Its major aim is to enable the members with no proper education, business and industrial experience to become self-dependent and self-reliant by developing and enhancing their decision-making capacity and instilling in them the strength and confidence for solving their issues. This study attempts to empirically identify the role behavior profile and skills of SHG women entrepreneurs and to give suggestions to strengthen the force of entrepreneurship among SHG women in Chittoor district of Andhra Pradesh by analyzing 240 respondents from two divisions. The study found that the skills and role behavior profile of women entrepreneurs improved after their joining the SHG's.

**Key Words:** Self-Help Groups, Women Entrepreneurship and Entrepreneurial traits.

### Introduction

The term "Entrepreneurship" is gender-free. Therefore, it is not an easy task to define a 'women enterprise' or a 'women entrepreneur'. For the purpose of this study, enterprises in which women have participation in capital and effective control over management are termed as 'women enterprises'. All women working board members in women industries cooperative societies and directors in a company are termed as 'women entrepreneurs'. The criterion is only whether they have effective

participation in ownership and control.

However, in addition to the entrepreneurial functions, women folk have to play their matriarchal role as homemaker. Hence, women entrepreneurs require some additional qualities and deserve some special considerations, encouragement and support. The self-help group (SHG) scheme has been extensively used by voluntary agencies for a long time that has been in corporate and conventional development program only recently.

**Self-Help Groups-An Engine for Women Entrepreneurship  
Development: A Study**

This is a novel scheme for entrepreneurship which enables the rural poor to earn their own livelihood besides participating in the process of development. It aims at enabling members with no educational or industrial or women entrepreneurial background to become self-dependent and self-reliant by developing and enhancing their decision-making capacity and instilling in them the strength and confidence in solving the problem. They provide poor people a forum where they can learn about collectively mobilizing and managing money and matters.

The present study is a pioneering attempt to analytically study the effectiveness of SHG's as a tool to develop entrepreneurship among women through an exploratory research in Chittoor district of A.P. No study of these sort has been conducted so far in the district. The study is about the informal sector where the women members of the SHG are who initially worked as thrift group are now able to run an enterprise on their own individually or as a group. An enterprise could also be run by all of them. In this study, the entrepreneurial activity undertaken by more than one member of the same group is termed as group entrepreneurship.

### Literature Reviews

**Meredith et.al. (1982)** conducted a study on entrepreneurship practices and found that the entrepreneurial skills like self-confidence, risk-taking

ability like Knight's entrepreneur, flexibility, need for achievement like McClelland's entrepreneur and strong desire to be independent are positively related to his business success. According to **Brush (1992)** financial aspects of venture start-up and management are without a doubt the biggest obstacles for women. Women's lack of managerial skills acts as a barrier to obtain start-up financial support and enter informal financial networks.

**Hisrich R.D & Brush, C. G. (1984)** conducted a study on management skills and business problems of women entrepreneurs stated that managerial skills, idea generating skills and dealing with people were important for a woman entrepreneur in establishing a business. The traits possessed by entrepreneurs were acquired through their experience like managerial skills, leadership skills and marketing skills. It was revealed that due consideration was given to attributes of leadership abilities, profit orientation and abilities to attract and retain talent (**Rao 2002**).

**Brown (2007)** in his study on skills for the aspiring entrepreneur and found that motivation skills, managerial skills and problem-solving skills are directly linked to the entrepreneurial business, attitude and behaviour of the entrepreneur. **Carter et.al. (2003)** indicated that the risk-taking attitude, self-control, achievement motivation, Type-A behavior and tolerance for ambiguity are the kinds of skills necessary to entrepreneurs. The Big-Five

## Self-Help Groups-An Engine for Women Entrepreneurship Development: A Study

personality theory is comprised of the complete entrepreneurial traits.

Entrepreneurs who had the necessary competencies especially in the area of operations, finance, marketing, human resources and management are more likely to be successful at startup stage of their business (Peterson, Kozmetsky, & Ridgway, 1983; Praalad & Hamel, 1990; Swierez & Spencer, 1992).

### Objectives

The objectives of the study are

1. To empirically found the role behavior profile and skills of SHG women entrepreneurs
2. To provide suggestions that are deemed fit to strengthen the force of entrepreneurship among women SHG's in Chittoor district of A.P.
- 3.

### Data and Methodology

**Sample:** Chittoor district of A.P has been purposively selected for the present study. Moreover, the district has been on a par with the other leading district of the state so far as the coverage of SHG's assistance is concerned. Chittoor district has three revenue divisions, Tirupathi, Madanapalli and Chittoor. Out of the three divisions, two divisions, Tirupathi and Chittoor have been selected for the study.

### Sources

This study is based on two types of data. Primary data was collected through structured interview schedule, campaign and

responded by the SHG's women entrepreneurs. Secondary data was collected from various published sources like DRDA Chittoor, MDO offices in selected Mandals and journals like (SEDME, Yojana, Kisan World, Social welfare and Indian journal of rural development, the IUP journal of entrepreneurship development, Indian journal of commerce, business line and Indian journal of Agricultural Economics).

### Sample design

The study used convenience sampling method. Although SHG's are trying to promote entrepreneurship development through India, the state of A.P was chosen as the study area, as the researcher is a native of the state. Tirupathi division and Chittoor division were chosen from the Chittoor district for study. 240 groups which stated generating income from entrepreneurial activity during the period 2012-2013 were selected. Based on the primary information provided by the DRDA, 120 SHG's each from the backward and forward revenue division areas were chosen for the study accounting for more than 1% of the total .the study purposively selected one sample respondent from each group, so that the total sample size is 240 respondents from 240 groups.

To prove that SHG is a tool that facilitate development of entrepreneurship among women, 8 traits were identified and the respondents were asked to rate themselves on 5-point scale of very good, good, average, poor and very poor. The respondents were asked to

## Self-Help Groups-An Engine for Women Entrepreneurship Development: A Study

identify themselves to the nearest scale.

**Traits:**

1. Creative skills
2. Marketing skills
3. Risk bearing skills
4. Managerial and Problem solving skills
5. Motivational skills
6. Communication skills and Interpersonal skills

**RESULTS AND DISCUSSION**

**Creative Skills**

To do things differently, one has to be creative, innovative and should take initiative .an entrepreneur is expected to develops new ideas to stay in business. Even to start a business, one has to conceive innovative ideas that are readily accepted by the market. This calls for imagination and innovation on the part of the entrepreneur. Hence ,this trait was analyzed and

the result are presented in table 1.it is observed that before their entry into SHG's in the forward revenue division, a majority (65%) of the respondents stated that the drive for creativity ,initiative and innovation is poor, while 19.67%expressed that such arrive is average . But after joining SHG, the drive for entrepreneurial creativity, initiative and innovation is stated to be very good by a majority (73.33%) of the respondents, followed by 22.50%who stated it as a good .in the case of backward revenue division also, the scenario is observed to be similar. Before their entry, as less as 49.6% of them stated that their creativity, initiative and innovation traits are poor, followed by 42.5% who reported that such a trait is average. But after the women into the SHG's, the trait of creativity, initiative and innovation were stated to be very good by 51.67%, followed by 29.17% who stated it to be good.

**Table 1:Creative skills before and after joining SHG**

S No	Resp onse	Chittoor		Tirupathi		(Befor e) Total	(After ) Total
		Bef ore	Afte r	Before	After		
1	Very Good	Nil (Nil )	88 (73. 33)	Nil (Nil)	62 (51.67 )	(Nil) (Nil)	<b>150</b> <b>(62.50</b> <b>)</b>
2	Good	13 (10. 83)	27 (22. 50)	Nil (Nil)	35 (29.17 )	<b>13</b> <b>(5.42)</b>	<b>62</b> <b>(25.83</b> <b>)</b>
3	Neutr al	23 (19. 97)	5 (4.6 7)	51 (42.50 )	13 (10.83 )	<b>74</b> <b>(30.83)</b>	<b>18</b> <b>(7.50)</b>
4	Poor	78 (65.	Nil (Nil)	59 (49.17	10 (8.83)	<b>137</b> <b>(57.08)</b>	<b>10</b> <b>(4.17)</b>

		00)	)	)			
5	Very Poor	6 (5.0 0)	Nil (Nil )	10 (8.33)	Nil (Nil)	<b>16</b> <b>(6.67)</b>	<b>Nil</b> <b>(Nil)</b>
<b>Total</b>		<b>120</b> <b>(100</b> <b>.00)</b>	<b>120</b> <b>(100</b> <b>.00)</b>	<b>120</b> <b>(100.0</b> <b>0)</b>	<b>120</b> <b>(100.0</b> <b>0)</b>	<b>240</b> <b>(100.0</b> <b>0)</b>	<b>240</b> <b>(100.0</b> <b>0)</b>
Source: Primary Data							

### Marketing Skills:

Successful marketing campaigns need a variety of skills and knowledge. Today's marketers should always try to cope up with the changing trends and fashions. To find out whether the SHG women are having marketing skill, this trait was analyzed. Table 2 presents the goal-oriented behavior of the sample respondents before and after joining the SHG's. It is observed that in the case of forward revenue division, the goal-oriented behavior is stated to be very good and good by 46.67% respondents after joining

the SHG's while a majority of them (49.17%) stated it as a poor and 31.67% stated it as average prior to their joining. With respect to the backward revenue division, no changes is observed in the goal-oriented behavior of the women in spite of their joining the SHG. It is observed that 48.33% and 49.17% of the respondents stated that their goal-oriented behavior is average and poor, respectively, before joining the SHG's with 49.17% and 45.83% of the respondents report that the goal-oriented behavior is average and poor, respectively, after joining the SHG's.

**Table 2: Marketing Skills Before And After Joining SHG**

S No	Response	Forward Revenue Division		Backward Revenue Division		(Before) Total	(After) Total
		Before	After	Before	After		
1	Very Good	Nil (Nil )	56 (46. 67)	Nil (Nil)	Nil (Nil)	(Nil) (Nil)	<b>56</b> <b>(23.33</b> <b>)</b>
2	Good	10 (8.3 3)	56 (46. 67)	Nil (Nil)	Nil (Nil)	<b>10</b> <b>(4.17)</b>	<b>56</b> <b>(23.33</b> <b>)</b>
3	Neut ral	38 (31. 67)	8 (6.6 6)	58 (48.33 )	59 (49.17 )	<b>96</b> <b>(40.00)</b>	<b>67</b> <b>(27.92</b> <b>)</b>
4	Poor	59	Nil	59	55	<b>118</b>	<b>55</b>

		(49.17)	(Nil)	(49.17)	(45.83)	(49.17)	(22.92)
5	Very Poor	13 (10.83)	Nil (Nil)	3 (2.50)	6 (5.00)	16 (6.66)	6 (2.50)
<b>Total</b>		<b>120 (10.00)</b>	<b>120 (10.00)</b>	<b>120 (100.00)</b>	<b>120 (100.00)</b>	<b>240 (100.00)</b>	<b>240 (100.00)</b>
Source: Primary Data							

### Risk Bearing Skills

Risk taking is most important requisite of an entrepreneur. Taking calculated risk in business will enhance the learning potential. The SHG women are prepared to take calculated risk for the growth of the business. The experience sharing among the group member allows them to think and progress positively. Thus, SHG formatting helps the women entrepreneurs in risk taking and these women are confident of solving their problems with the

support of the other members of the group. Thus, this trait was analyzed.

The distribution of the survey participants is given a table 3. It is evident that in both divisions, risk bearing skills is improved after the women have joined the SHG's. Table 3 shows that before their joining the SHG's the risk taking attitude was reported as average by 35% and poor by 43.33% of the respondents in Chittoor division. But after their joining the group, 51.67% of the respondents reported that their spirit of assuming the risk is very good, while 40.83% stated it to be good.

**Table 3: Risk Bearing skills Before And After Joining SGH**

S. No	Response	Chittoor		Tirupathi		(Before) Total	(After) Total
		Before	After	Before	After		
1	Very Good	Nil (Nil)	62 (51.67)	Nil (Nil)	44 (36.67)	(Nil) (Nil)	106 (44.17)
2	Good	5 (4.17)	49 (40.83)	5 (4.17)	45 (37.50)	10 (4.17)	94 (39.16)
3	Neutral	42 (35.00)	7 (5.84)	42 (35.00)	31 (25.83)	84 (35.00)	38 (15.83)

4	Poor	52 (43.33)	1 (0.83)	52 (43.33)	Nil (Nil)	<b>104</b> <b>(43.33)</b>	<b>1</b> <b>(0.42)</b>
5	Very Poor	21 (17.50)	1 (0.83)	21 (17.50)	Nil (Nil)	<b>42</b> <b>(17.50)</b>	<b>1</b> <b>(0.42)</b>
<b>Total</b>		<b>120</b> <b>(100.00)</b>	<b>120</b> <b>(100.00)</b>	<b>120</b> <b>(100.00)</b>	<b>120</b> <b>(100.00)</b>	<b>240</b> <b>(100.00)</b>	<b>240</b> <b>(100.00)</b>

Source: Primary Data

### Managerial And Problem Solving Skills

Table 4 shows the managerial and problem solving skills possessed by the sample women entrepreneur before and after joining the SHG. It is observed that before joining the SHG, a majority (44.58%) of the respondent reported their managerial and problem solving skills as average, while 44.58% of them stated it to be poor. But after joining the SHGs, the managerial and problem solving skills of the

women SHG members is improved. It is evident from the fact that 48.34% of the respondent stated their managerial and problem solving skills to be very good after joining the SHGs, while 38.33% of them reported it as good. However, division-wise, it is observed that in Chittoor division managerial and problem solving skills have improved to a large extent: 53.33% of respondents stated it as very good as compared to 43.33% in Tirupathi division.

**Table 4: Managerial and Problem solving skills Before And After Joining SGH**

S No	Resp onse	Chittoor		Tirupathi		(Befor e) Total	(After ) Total
		Bef ore	Afte r	Before	After		
1	Very Good	Nil (Nil)	64 (53.33)	Nil (Nil)	52 (43.33)	<b>(Nil)</b> <b>(Nil)</b>	<b>116</b> <b>(48.34)</b>
2	Good	4 (3.33)	48 (40.00)	2 (1.67)	44 (36.67)	<b>6</b> <b>(2.50)</b>	<b>92</b> <b>(38.33)</b>
3	Neutr al	49 (40.83)	7 (5.84)	58 (48.33)	14 (11.67)	<b>104</b> <b>(44.58)</b>	<b>21</b> <b>(8.75)</b>
4	Poor	51 (42.50)	1 (0.83)	55 (45.33)	10 (8.33)	<b>106</b> <b>(44.58)</b>	<b>11</b> <b>(4.58)</b>

5	Very Poor	16 (13.34)	Nil (Nil)	5 (4.17)	Nil (Nil)	<b>21</b> <b>(8.57)</b>	<b>Nil</b> <b>(Nil)</b>
<b>Total</b>		<b>120</b> <b>(100.00)</b>	<b>120</b> <b>(100.00)</b>	<b>120</b> <b>(100.00)</b>	<b>120</b> <b>(100.00)</b>	<b>240</b> <b>(100.00)</b>	<b>240</b> <b>(100.00)</b>

Source: Primary Data

### Communication and Interpersonal Skills

Table 5 presents the distribution of the survey respondent as per their communication and interpersonal skills before and after joining the SHG. It is observed that 42.08%, 39.17% and 14.17% of the respondent stated their communication skills to be average, poor and very poor respectively,

before their joining the SHGs. But the scenario is observed to have improved after their entry into the SHG to a certain extent. It is evident from Table 5 that 43.75% and 31.25% of the respondent stated that their communication skills are very good respectively after their joining the SHGs. A similar situation was reflected in the case of Chittoor and Tirupathi divisions.

Table 5: Communicational Skills Before And After Joining SGH							
S No	Response	Chittoor		Tirupathi		(Before) Total	(After) Total
		Before	After	Before	After		
1	Very Good	Nil (Nil)	56 (46.67)	Nil (Nil)	49 (40.83)	<b>(Nil)</b> <b>(Nil)</b>	<b>105</b> <b>(43.75)</b>
2	Good	9 (7.50)	47 (39.17)	2 (1.67)	28 (23.33)	<b>11</b> <b>(4.58)</b>	<b>75</b> <b>(31.25)</b>
3	Neutral	44 (36.67)	16 (13.33)	57 (47.50)	23 (19.17)	<b>101</b> <b>(42.08)</b>	<b>39</b> <b>(16.27)</b>
4	Poor	53 (44.17)	Nil (Nil)	41 (34.16)	12 (10.00)	<b>94</b> <b>(39.17)</b>	<b>12</b> <b>(5.00)</b>
5	Very Poor	14 (11.66)	1 (0.83)	20 (16.67)	8 (6.67)	<b>34</b> <b>(14.17)</b>	<b>9</b> <b>(3.75)</b>
<b>Total</b>		<b>120</b> <b>(100.00)</b>	<b>120</b> <b>(100.00)</b>	<b>120</b> <b>(100.00)</b>	<b>120</b> <b>(100.00)</b>	<b>240</b> <b>(100.00)</b>	<b>240</b> <b>(100.00)</b>

Source: Primary Data



### Motivational Skills

An important skill for women entrepreneurs is to be able to motivate them. Table 6 presents the motivation levels of the sample respondent before and after joining SHG. It is observed that the motivation levels of women also experienced a step-up to a certain extent after their joining the SHGs. It is evident from the fact that before joining the SHGs, 37.08% and of

the respondents reported their motivation levels as average and poor respectively. But after joining the SHGs, about 41.42% of the respondent stated their motivation level as very good, followed by 35.42% who stated it to be good. However, SHGs, 50% respondent of Chittoor division stated their motivation levels as very good against 32.50% of Tirupathi division.

**Table 6: Motivation Level Before And After Joining SGH**

S. No	Response	Chittoor		Tirupathi Division		(Before) Total	(After) Total
		Before	After	Before	After		
1	Very Good	Nil (Nil)	60 (50.00)	Nil (Nil)	39 (32.50)	(Nil) (Nil)	99 (41.42)
2	Good	8 (6.66)	49 (40.84)	Nil (Nil)	36 (30.00)	8 (3.33)	85 (35.42)
3	Neutral	47 (39.17)	10 (8.33)	42 (35.00)	20 (16.67)	89 (37.08)	30 (12.50)
4	Poor	50 (41.67)	1 (0.83)	59 (49.17)	16 (13.33)	109 (45.42)	17 (7.08)
5	Very Poor	15 (12.50)	Nil (Nil)	19 (15.83)	9 (7.50)	34 (14.17)	9 (3.75)
<b>Total</b>		<b>120 (100.00)</b>	<b>120 (100.00)</b>	<b>120 (100.00)</b>	<b>120 (100.00)</b>	<b>240 (100.00)</b>	<b>240 (100.00)</b>

Source: Primary Data

### Conclusion

The Present study attempted to empirically identify the role behavior profile and traits of SHG women entrepreneurs in Chittoor

district of Andhra Pradesh. The size of the business owned by women in informal sector is usually small and operated from their own residence. With successful business

Performance, most of the women want to remain in the business. But women do not receive enough support from their family as we as government authorities. These entrepreneurs must be involved in modern small-scale units. If they are properly trained and provided with the required skillscapital, then rural India and informal sector will emerge as a story of success.

### Findings

The important findings are

1. It is observed that in both divisions before their entry into SHGs, a majority of the SHG women stated that their drive for creativity is poor. But after joining the SHG, a majority of the respondents stated that this trait is improved.
2. It is also observed that both in the case of Chittoor and Tirupathi divisions, the sense of risk assumption, which is a significant trait of entrepreneurship, is said to have improved after the women joined the SHGs.
3. It is evident from the results that overall a large percentage of the respondents stated their Managerial and Problem solving qualities to be very good after joining the SHGs.
4. It is observed that the communication and interpersonal skills of the women both in the forward and backward revenue

divisions have improved after the women joined the SHGs.

5. It was found that the motivation level of women also experienced a great change after their joining the SHGs.

### Suggestions

Based on the findings, the following measures are suggested to support the sustainable development of SHG women entrepreneurs:

1. Both in Chittoor and Tirupathi divisions, the sense of risk assumption which is a significant trait of entrepreneurship were missing before their joining SHGs. However, the trait improved their risk-taking behavior to improve the profitability of their enterprise.
2. It was observed that in Chittoor division, the managerial and problem solving skills have improved to a larger extent after the women joined the SHGs as compared to Tirupathi division. The Government and NGOs should conduct separate orientation classes on leadership qualities by involving experts in the field and social workers.
3. It was found that in Tirupathi division very few respondents said that their motivational skills were improved after joining in SHG. Some of them also suffer from lack of motivation. The agencies like

DRDA, NGOs, banks and local bodies should make special efforts in improving their motivation levels by organizing special programs at different levels and involvement of local Panchayat member to interact with members of the families.

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