



## A STUDY ON ATTITUDES OF WOMEN ENTREPRENEURS TOWARDS BUSINESS PERFORMANCE AND WOMEN EMPOWERMENT WITH SPECIAL REFERENCE TO SELF HELP GROUPS IN TAMILNADU

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### Abstract

In India, Self Help Groups or SHGs represent a unique approach to financial intermediation. The approach combines access to low-cost financial services with a process of self-management and development for the women who are SHG members. SHGs are formed and supported usually by NGOs or (increasingly) by Government agencies. Linked not only to banks but also to wider development programmes, SHGs are seen to confer many benefits, both economic and social. SHGs enable women to grow their savings and to access the credit which banks are increasingly willing to lend. SHGs can also be community platforms from which women become active in village affairs, stand for local election or take action to address social or community issues. But there are also some questions. How effective are the groups in managing their financial transactions? Are the groups sustainable? Do they help in mobilising women to take social action? How effective are such actions? Who is really benefiting? Do the poorest benefit, do they not join at all or if they do join, are they more likely to drop out? Therefore, the present study is required to highlight these aspects.

**Keywords :** Women Entrepreneurs, Business Performance, Attitudes, Empowerment.

### 1.1 Introduction

Women's Self Help Groups are the indicators of development of women and they contribute for the overall economy also. Emergence of the SHGs leads to socio-economic benefits to the society. Within the framework of a democratic polity, our laws, developmental policies, plans and programmes have aimed at women's advancement in different spheres. From the Fifth Five Year Plan (1974 – 78) onwards it has been a marked shift in the approach to women's issues from welfare to development (Seth Mira, 2000).

It is necessary to confront age old patriarchal social attitudes that consider a woman to be less important than a man. She has been deprived of basic human, social and political rights for many centuries. Society can no longer justify these attitudes and their practices and behaviors. Our civilization has suffered and become damaged as a result of this lack of understanding. This programme on values and spirituality seeks to establish that empowered women are essential to bring balance and harmony into the world. Women need to claim their rightful position of equality and complementarily with men in order to restore equilibrium in society. Social development is obstructed by archaic patriarchal social attitudes. People who hold them need to recognize the legally defined rights of women in Indian society. The attainment of women's rights is an effort for human rights.

A woman is as important as a man. From ancient times to the present, women's labour and efforts have not been recognized. Often unnoticed and always uncalculated, have contributed substantially to the well-being of society. A woman is called the first guru of a child. A child is nurtured physically, emotionally and spiritually by the mother. Therefore the mother is the key to the quality of the next generation. If the mother is aware of her value, if she is valued and respected by the family and society, if she enjoys her rights and privileges as a mother, wife and daughter. Then these elements are transmitted to both her daughters and her sons.

### Features of women SHGs

A variety of group-based approaches that rely on social collateral and its many enabling and cost-reducing effects are a feature of modern MicroFinance (MF). It is possible to distinguish between: (a) groups that are primarily geared to deliver financial services provided by Micro Finance Institutions (MFIs) to individual borrowers (such as the joint liability groups of Grameen and the NGO-banks of Bangladesh); and (b) groups that manage and lend their accumulated savings and externally leveraged funds to their members.

While the term 'self-help group' or SHG can be used to describe a wide range of financial and non-financial associations, in India it has come to refer to a form of Accumulating Saving and Credit Association (ASCA) (after Bouman, 1995) promoted by government agencies, NGOs or banks. Thus, SHGs fall within the latter category of groups described above.



A distinction can be made between different types of SHGs according to their origin and sources of funds. Several SHGs have been carved out of larger groups, formed under pre-existing NGO programmes for thrift and credit or more broad-based activities. Some have been promoted by NGOs within the parameters of the bank linkage scheme but as part of an integrated development programme. Others have been promoted by banks and the District Rural Development Agencies (DRDAs). Still others have been formed as a component of various physical and social infrastructure projects. Some of the characteristic features of SHGs currently engaged in MF are given below:

- An SHG is generally an economically homogeneous group formed through a process of self-selection based upon the affinity of its members.
- Most SHGs are women's groups with membership ranging between 12 and 20.
- SHGs have well-defined rules and by-laws, hold regular meetings and maintain records and savings and credit discipline.
- SHGs are self-managed institutions characterized by participatory and collective decision making.

NGO-promoted SHGs were often nested in 'sanghas' or village development groups undertaking integrated development activities. As they have developed, SHGs or 'sanghas' have been grouped into larger clusters and multi-village federations for financial and non-financial activities.

The question of affinity is, however, a contentious one. Several practitioners ascribe the "poor" quality of new SHGs being formed (particularly by banks and state agencies as part of a target-driven approach) to the lack of affinity among their members. In fact, a leading NGO calls groups it promotes Self-Help Affinity Groups (SAGs) rather than SHGs. On the other hand, the concern with affinity can translate into formation of caste-based SHGs (rather than formation of groups based upon shared poverty conditions), with the potential negative ramifications of caste politics.

### **Economic Empowerment of Women**

Economic independence or access to an inherited or self-generated income is considered to be the major means of empowerment of women. The Equal Remuneration Act, 1976 (India) was a major step towards protective legislation and establishing the principles of equality, as it provides for equal remuneration to men and women workers and prevention of discrimination against women in the matter of employment. According to the New Policy Initiative known as "Vision 2000: Policy for the Advancement of Women in Tamil Nadu," each and every project and programme in Tamil Nadu was decided to be designed in a manner that will re-define the roles of women and men, such that it will enable them to work as equal partners. The Tamil Nadu Corporation for Development of Women was established to act as a nodal point for bringing women into the mainstream in all programmes and projects. This policy has been disseminated through all avenues to all organizations, governmental and non-governmental, which work for the cause of women. Self-Help-Group's main activity is the establishment of savings and credit. Savings encourages people to plan and for future needs. The group members have open discussions and think about various options. Such discussions help in strengthening the analytical and problem solving skills of the members. Enterprising attributes are initiative, creativity, flexibility, leadership, independence, problem solving, persuasive, calculated risk taking, need for achievement, hard work and learning from mistakes.

### **1.2 Review of Literature**

Since the 1990's women have been identified as key agents of sustainable development and women's equality and empowerment are seen as central to a more holistic approach towards establishing new patterns and process of development that are sustainable. The World Bank has suggested that empowerment of women should be a key aspect of all social development programs. (**World Bank, 2010**).

**Kabeer's (2001)** defines as follows: "The expansion in people's ability to make strategic life choices in a context where this ability was previously denied to them. "For women in India, this suggests empowerment in several realms: personal, familial, economic and political".

Since the 1980s the Government of India has shown increasing concern for women's issues through a variety of legislation promoting the education and political participation of women (**Collier, 1998**).

International organizations like the World Bank and United Nations have focused on women's issues especially the empowerment of poor women in rural areas. In the late 1980s and early 1990s, Non-Governmental Organizations (NGOs) have also taken on an increased role in the area of women's empowerment (**Sadik, 1998**).



NGOs, previously catering to women's health and educational needs, have moved beyond this traditional focus to addressing the underlying causes of deprivations through promoting the economic and social empowerment of women. (**McNamara: 2003**).

NGO employees must model empowered behaviors in order to evoke sustained behavior modification for the empowerment of women they serve. Rural NGOs, who have to often depend on the same local pool for clients and employees, find it difficult to promote empowerment effectively (**Goyder, 2001**).

**Barbara and Mahanta (2001)** in their paper mentioned that the SHGs have helped to set up a number of micro-enterprises for income generation.

**Manimekalai and Rajeswari (2001)** highlighted that the provision of micro-finance by the NGOs to women SHGs has helped the groups to achieve a measure of economic and social empowerment.

**Sheik Mohammed (2004)** reported that the SHGs worked for the success of women entrepreneurs but, their success is temporary and continuous existence is a doubt.

The linking of SHGs to banks help in overcoming the problem of high transaction costs to banks in providing credit to the poor , by transferring some banking responsibilities such as loan appraisal, follow up, recovery etc., to the poor themselves.(**Sathis, 2001**).

According to **V.Shanmugasundaram (2010)**, SHGs support the isolated people and developed the village in economical and atmosphere level. The village people also most welcomed these groups. These kinds of SHGs achieved more than the government sector. The government should encourage these kinds of young and energetic SHGs. The groups definitely raise the national economic level.

**A.Abdhul Rahim (2010)** concluded that the social and economic empowerment of women has been brought through the SHGs, but it is a matter of time and active participation of the respondents. He proved in his research that the incomes of the family and family asset have augmented well after joining into the SHG programme which encouraged the self employment ideology. Thus, the SHG programme is progressive in nature in the efforts of empowering women.

### 1.3 Statement of the Problem

Success and survival of the women SHGs depend upon the individual performance of the members. The business performed by the women should be viable and it should yield a fair return to them. The concept of SHGs appears to be a good alternative strategy to involve people in the development process also.

The flow of financial assistance to them was too marginal, if at all, to enable them to cross poverty line. The SHG movement in India is basically aimed at utilizing the SHGs as an 'intermediary' between the banks and the rural poor to help drastically reduce transaction costs for both the banks and the rural clients (Nanda, 1995).

As the SHGs are viewed as catalytic agents to bring sociological developments in a growing economy, it is necessary to see the SHGs as small business groups. Like the cottage or tiny industries, the SHGs are also the business segments so that they should earn sufficient amount of return on their capital. The SHGs should have capabilities for capturing markets at the possible levels. As their geographical area is confined to local markets only, the women of the groups have to struggle for success and survival.

But, the individual business performance of the women of the SHGs is not satisfactory in terms of profitability, investment and marketability of the products. Most of them are illiterate and they do not have any experience in their lines of business so that their growth cannot surpass beyond a certain limit. And, the scale of operations of their business is limited and the scope for further development is a question to them. These issues are taken by the researcher as the research problems.

### 1.4 Objectives of the Study

Following are the objectives of the study:

1. To study business practices adopted by the SHG members
2. To analyse their attitude towards their business



3. To give suitable suggestions for effective functioning of business performance and women empowerment.

### 1.5 Methodology

Methodology of any type of research study takes a vital role in bringing a logical and scientific approach. It requires a strong base to the research and it leads to a reliable as well as valid interpretations. Rationale behind the research methodology lies on its meaningful considerations of variables and the approaches to study them. In this sense, research methodology acts as a basement of any type of research.

Thanjavur District is the geographical area of the study. In this district, the SHGs are running in large extent and they have been selected for this research. As this is an agro- based district, agrarian families are of majority. At the same time, women from different walks of life live in this district. So, the district is appropriate to take for this research.

The present study takes business functions of the women members of the SHGs as the subject matter for research. The business functions include production, selling, financing and other related activities. As the business of the women is very limited in terms size and investment they have to usually undertake only limited business functions only. Generally production, selling, financing and accounting are the common functions performed by them. As these are the identified functions of them the present study takes those as dimensions of the study.

### Population and Sampling

The district has 14 Blocks. Using multi stage sampling technique, the samples were selected. There are 16,366 women SHGs in the 14 Blocks. The total members all the SHGS (population of the study) of all the 14 Blocks is 2,45,490.(as per the enumeration during January 2010). 500 samples were selected as per multi stage sampling technique.

- At first, the 14 Blocks of the district were identified. (First stage)
- 22 town panchayaths were identified in the 14 Blocks.(Second stage)
- 589 village panchayaths were identified in the 14 Blocks. (Third stage)

The samples were selected from the SHGs, running in the 22 town panchayths and from the 589 village panchayths. 500 sample women members were selected for this way.

### Pilot Study

A pilot study was conducted at the initial stage during January,2008 in order to study the possibility and scope for this study. During the pilot study, it was felt that the women members are not familiar with the functional areas of business wholly. Their involvement and participation were intensive but they had to meet loss or earn a little profit. On the basis of perception of this in the pilot study, the present research was undertaken at full fledged scale.

### Data and Sources

Both types of data viz., secondary and primary have been used in this study. The secondary data were at first collected from the secondary sources such as books, journals, records etc.The primary data were collected from a structured questionnaire. It consisted of 8 sections viz., personal data, and information about the business, in respect of finance, production, and marketing. Moreover scaling technique has been used to measure level of satisfaction, level of awareness and attitude of the women towards their business.

### Presentation of Analysis

The analysis part has two sections such as general or simple analysis with the help of percentages and ratios. In this section, the analysis is presented in the order of questions of the questionnaire. The demographic variables are given in a comprehensive table briefly. Then the responses for each question are given in separate table with percentages, mean and standard deviation to interpret the results.

The second section consists of statistical analysis where the advanced statistical techniques such as chi square test and F test are used to test the hypotheses. The calculations were made with the help of statistical package for social science (SPSS).

The chi square test is a widely used tool in social science studies. For large size sample sizes, the sampling (probability) distribution of chi square can closely be approximated by a continuous curve.(D.N.Elhance, 1975). At the same time, analysis of variance (F test) has also been utilized to study the two or more sample means.



### Rating the Attitude

Attitude of the 500 women is studied with the help of seven statements. From these seven statements, attitude of the 500 women is studied with the help of 5 point scale. The points are strongly agree, agree, neutral, disagree and strongly disagree.

1. My business has a bright future
2. Competition is a problem to me
3. Attractive advertising develops the business
4. Training programme is useful to develop business skill
5. Credit sale extends the business
6. Customer loyalty is not permanent
7. Changes in business can not be predetermined.

Positive attitude and negative attitude were also identified on the basis of scores the women secure. If the total scores are less than 50 then it is treated as negative attitude. If the scores are 50 or above 50, the positive attitude is felt.

### Period of the Study

Five year period has been taken for this study(2005-06 to 2009-10). The extent of period is sufficient to cover the business performance of the women members of the SHGs of Thanjavur district.

### 1.6. Limitations of the Study

1. This study is concerned only with the business functions of the women of the SHGs and not any other social impact of the SHGs for empowerment of the women.
2. This research has been undertaken from the point of view of women members but not from the SHGs.
3. This research takes the women who have started their business at least five years back. (in 2005-06 or any year immediately preceding 2005-06)

### 1.7 Analysis and findings of Attitudes of Women Entrepreneurs towards Business Performance and Women Empowerment

**Table -1, Analysis of Overall Attitude**

Sl.No	Attitude Statements	Total Scores	Rank
1.	My business has a bright future	1,065	7
2.	Competition is a problem to me	2,380	1
3.	Attractive advertising develops the business	1,491	5
4.	Training programme is useful to develop business skill	2,170	2
5.	Credit sale extends the business	1,338	6
6.	Customer loyalty is not permanent.	1,524	4
7.	Changes in business can not be predetermined	2,103	3

Source: Primary Data

Among the 7 attitude statements,

- Attitude statement No.2 (Competition is a problem to me) has the highest scores (2,380). This implies the women have a fear on the competition. And this shows that the competitive strength is very weak.
- Attitude statement No. 4 (Training programme is useful to develop business skill) has secured second place (2,170). This shows the confidence of the women members of the SHGs of Thanjavur district on the training programme. So, it is necessary to arrange a training programme.
- The attitude statement No.7 (Changes in business can not be predetermined) has got the third place (2,103 scores). The business women are not professional business people so that they are not in a position to pre determine the changes in the business.
- Attitude statement No. 6 (Customer loyalty is not permanent) has the fourth place (1,524 scores). As there are no repeated customers in their business the 500 women do not have faith on the customer loyalty.
- Attitude statement No.3 (Attractive advertising develops the business) is in the fifth place. This is accepted by the women of the SHG at principle level. Nobody usually makes any advertisements in their business. But, this type of attitude shows the positive approach.



- Attitude statement No.5 (Credit sale extends the business) has 1,338 scores and it goes to 6<sup>th</sup> place. This also accepted by the women event though they have considerable amount of bad debts in their business. So it reveals the positive approach.
- Attitude statement No.1 (My business has a bright future) has the last place (1,065). This is the positive statement but this has the last place.

In a nutshell, it is clear the negative attitude is in a dominant position among the 500 women of the SHGs of Thanjavur district.

### Positive and Negative Attitude

The positive and negative attitude is ascertained with the help of scoring. The women who have more scores on the positive side have the positive attitude. And, the other women who have more scores on negative sides have the negative attitude. The following tables shows the number of women in each category i.e., positive and negative attitudes in respect of age groups.

**Table – 2, Mean , Standard Deviation and Coefficient of Variation of the two groups**

Age Group	No. of Women (frequency)		Positive Attitude	Negative Attitude
	Positive Attitude	Negative Attitude	Mean 22.52 Standard Deviation 19.63 Coefficient of Variation 87.17	Mean 37.07 Standard Deviation 8.19 Coefficient of Variation 22.09
0-20	28	22		
20-40	20	250		
40-60	50	35		
60-80	37	58		
Total	135	365		

Source: Primary data

Among the 500 women of the SHGs of Thanjavur district, majority women (365 out of 500 – 73% in total sample frame) have negative attitude towards their business. At the same time, 27% women have positive attitude in this regard. While comparing the two groups the coefficient variation has been taken into consideration. coefficient variation of the negative attitude is less than that of the positive group. So, it is clear that the negative attitude women have less variability or more consistency. The arithmetic mean of the negative attitude group is not far away because the group has less coefficient of variation.

### 1.8 suggestions

Training is necessary to the women members of the SHGs to enhance their business skills so that the Tamil Nadu government may arrange an exclusive training programme to them with the help of District Industries Centers (DICs) and other NGOs. The training programme should be arranged to inculcate the techniques of small and cottage industries.

Marketing facilities may be extended to them by the government by purchasing the products produced by the women of the SHGs for various governmental departments. This will remove the marketing problems of the women.

The rate of interest charged by the banks on the loans granted to them may further be reduced. The credit granted by the banks to the SHGs should be treated as the priority sector lending. Soft loan scheme, applicable to the industries of the backwards districts, should be applied to the SHGs too.

Education gives awareness to the women so the NGOs may impart education and enhance the level of knowledge to illiterate and low level educated women members. For this, the NGOs may arrange evening and week end classes. If the NGOs do not have any place for conducting such classes, premises of government schools may be used.

The women of the SHGs should think over the customers' satisfaction and they should take steps to ensure such satisfaction among the customers. And, they may make a personal contact with consumers so that repeated customers may be available to their business.



Women's self help groups may be started in women colleges and in order to spread the SHG movement. This will give impetus to the empowerment of women as well as the SHGs. The SHGs should be filled with the educated women then only the groups may yield the success. So, the colleges may encourage the women students to form the SHGs in a limited level without disturbance to their education.

The Tamil Nadu Government may make separate market and stalls there to the women's SHGs as the case of 'UzhavarSandhai'. Now, the 'Poomalai commercial Complex' has been operated with the stalls of the SHGs but, they can not gain more prominence in the town and villages. So, the government may establish such complexes in many places with all infra structural facilities. This arrangement will definitely be advantageous to the marketing of the products.

### 1.9. Conclusion

The SHGs should be viewed as a movement of women for their empowerment. Economic betterment of the women members through the SHGs is a condition to attain such status. For this, it is necessary to the SHGs to promote the women to reap the economic benefits from their business. The performance of women members of SHGs is at growing stage but at the same time it is expected more development from the government side. As number of women SHGs increases every year, it is not possible to show a success track record by the women in their business because of lack of experience, business skill and family support. However, the women's SHGs are essential to ensure rehabilitation of women from proletarian class and enrichment of women's status as well as empowerment of women in our country. Their role is significant for achieving our socio-economic goals, mentioned in Indian Constitution. As the SHGs have become livelihood of the women in some families it is essential to support the SHGs. The women of the SHGs of Thanjavur district should be promoted in these lines to attain success in their venture. So, the women of SHGs should be motivated by the government, NGOs and banks in large scales near future.

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