CHAPTER V

FINDINGS, SUGGESTIONS AND CONCLUSION
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In this chapter, the researcher makes an attempt to present the summary of the major findings of the study and offer a few suggestions and conclusions for the better execution of the thesis.

Findings of the study

The following are the summary of findings from the analysis, namely:

Personal Factors:-

Profile of SHGs respondents

- Majority of the respondents are under the age group of 30-40, followed by below 30 and by the age group of above 40.
- Most of the respondents are married as compared to that of unmarried
- Majority of the respondents are educated at primary level followed by high school and by higher secondary school level
- Maximum number of respondents' occupation was small petty shop, followed by small business and street vendors.
- Majority of the respondents belong to nuclear family and rest belong to joint family.
- Majority of the respondents' family income was at Rs. 2500-3500, followed by below Rs. 2500, next by above Rs. 4500 and minimum number of respondents family income was at Rs. 3501-4500.
Operational Factors:-

Arrangements made for internal saving funds,

- Majority of the respondents contribute, above Rs. 25 to their internal fund, which is followed by Rs. 20-25 and only minimum number of respondents contribute below Rs. 20 to their internal fund.

- Majority of the respondents' internal fund amount is deposited in Nationalized Bank whereas minimum number of the respondents' internal fund is deposited in co-operative bank.

- Majority of the respondents' internal fund amount is deposited in saving account whereas minimum number of respondents internal fund amount is deposited in current account.

Opinion on Revolving fund sanctioned by the Bank

- Majority of the respondents have procured loan from the banks whereas minimum number of respondents have not availed the loan from the banks.

- A maximum number of the respondents have repaid their loans whereas only minimum numbers of the respondents have not repaid their loans.

- Most of the respondents are of the opinion that the loan repayment is convenient whereas minimum numbers of the respondents are of the opinion that the loan repayment is not convenient.

- Majority of the respondents' opinion is that the installment amount should be reduced whereas minimum number of the respondent's opinion is that the installment amount need not be reduced.

- Majority of the respondents opinion is that the loan amount is adequate whereas a very few number of the respondent’s opinion is that the loan amount is not adequate.
- A maximum number of the respondents have availed subsidy for their loan amount whereas a very minimum number of the respondents have not availed subsidy for their loan amount.

**Purpose of bank loan**

Most of the respondents avail loan for the purpose of expanding the business, which is followed by capital for new business, loan for the children education, loan to meet the family expenses and minimum number of the respondents avail loan for the purpose of repaying the other loans borrowed from outsiders.

**The challenges endured while starting business**

 Majority of the respondents’ faced challenges while starting business is inadequate finance followed by insufficient support from family members, inadequate marketing facilities, lack of co-ordination and only minimum number of the respondents’ problem is lack of training.

**Marketing Activities of SHGs**

- Most of the respondents were engaged in group business as compared to that of individual business
- Majority of the respondent’s nature of business is trading business, followed by manufacturing and servicing business.
- Most of the respondent’s opinion about the purpose of doing business is to earn income as compared to that of others such as serve the country, meet the local market, and export their products.
- Most of the respondents are engaged in business, by the encouragement of NGOs, followed by the motivation given by their group members, motivation given by family members and by their own previous experience.
• Majority of the respondent’s sales are above Rs. 5000 and the rest were in between Rs. 2000-Rs. 5000 and below Rs. 2000

• Most of the respondent’s monthly business expenses are between Rs. 1000-2000 next were above Rs. 2000 and are below Rs. 1000.

• Most of the respondent’s monthly profit of the business is between Rs. 1000-2000, followed by above Rs. 2000 and below Rs. 1000.

Sales Promotional Activities

• Majority of the respondents do not advertise for their products whereas minimum number of the respondents advertise for their products

• Most of the respondents do not have brand name for their products whereas only minimum number of the respondents have brand name for their products

• Maximum number of the respondents does not participate in exhibitions to promote their products whereas minimum number of the respondents participates in the exhibitions to promote their products.

• Maximum number of the respondents is at the opinion that there is no competition for their products whereas minimum number of the respondents is at the opinion that there is competition for their products.

• Most of the respondents do not sell their products through agents whereas minimum number of the respondents sells their products through agents.

• Majority of the respondents do not provide discount for cash sales whereas minimum number of the respondents provide discounts for cash sales.

• A maximum number of the respondents do not sell their products for credit whereas minimum number of the respondents sells their products for credit.
**Strategy adopted to face the competitions**

Majority of the respondents face their competition by improving the quality, followed by reducing the price and offering discounts for purchases.

**Opinion of members about their groups**

- Majority of the respondent’s opinion is that the SHGs are performing well whereas minimum number of the respondent’s opinion is that they are not performing well.
- A maximum number of the respondent’s opinion is that they are participating in decision making whereas minimum number of respondents’ opinion is that they are not participating in decision making.
- Majority of the respondent’s opinion is that to change the animator’s whereas only minimum number of the respondent’s opinion is not to change the animator.
- A maximum number of the respondent’s opinion is that the Government has to assist in the growth of SHGs whereas only minimum number of the respondents’ opinion is that the Government need not assist in the growth of SHGs.
- Majority of the respondents’ opinion is that the SHGs can alleviate poverty whereas only minimum number of the respondent’s opinion is that the SHGs cannot alleviate poverty.

**Assistance from Government**

Majority of the respondent’s opinion about the assistance from government is quick disposal of loan, followed by increase the marketing facilities and increase the subsidy amount.
Personal Factors and Marketing Factors of SHGs

In order to study whether there is any association between two attributes namely Personal Factors such as Age, Education, Occupation, and Type of Family, with Marketing Factors such as Type of Business, Nature of Business, Monthly Amount of Sales, and Monthly Amount of profit and Monthly Amount of Expenses relating to Business. Chi square Analysis is performed. Respondent’s age, education, occupation and type of family is significantly associated with the type of business. Respondent’s age and their type of family also had significant association with nature of business namely manufacturing, trading and service as well as in sales. Respondent’s age and type of family is significantly association with monthly amount of sales. The analysis showed that education also had significant association with monthly amount of profit. The analysis also showed significant association between business related expenses and respondent’s age and education.

Marketing and Performance Factors of SHGs

Analysis of variance is performed to estimate and compare the mean performance namely Monthly Amount of Sales, Monthly Amount of Profit, and Monthly Amount of Expenses related to Business among different groups of respondents with Type of Business, Nature of Business.

- The mean score on amount of sales is higher in group business as compared to that of individual business for different group of respondents.
- The mean amount on monthly expenses relating to business is higher in group business as compared to that of individual business for different groups of respondents.
- The mean score on amount of profit for individual business is higher than that of the group business for different group of respondents.
• The mean score on amount of monthly sales for the servicing group of respondents is higher than the other groups of respondents.

• The mean on amount of monthly business expenditure for the trading group of respondents is higher than other groups of respondents.

• The mean score on monthly amount of profit for trading group of respondents is higher than the other groups of respondents.

**Inter Factor Analysis**

The step wise multiple regression model indicated that out of the 4 variables, three explanatory variables namely, X1 - monthly expenses related to business, X10 - nature of business and X16 - sales have significantly contributing to Y1 - profit. The analysis of variance of multiple regression model for Y1 indicates the overall significance of the model fitted. The coefficient of determination R² value showed that the three variables put together explained the variations of Y to the extent of 76.6%.

The multiple regression model indicated that out of the 14 explanatory variables, 4 variables namely, X15 - subsidy amount, X6 - occupation, X10 - nature of business, and X1 - monthly amount of expense related to business have significantly contributing to Y2 - sales. The analysis of variance of multiple regression models for Y2 indicates the overall significance of the model fitted. The coefficient of determination R² value showed that these variables put together explained the variations of Y to the extent of 50.3%.

The multiple regression model indicated that out of the 14 explanatory variables, 6 variables namely, X2 - monthly amount of profit, X10 - nature of business, X11 - number of members, X7 - type of family, X8 - monthly family income and X9 - type of business have significantly contributing to Y3 - expenses related to business. The analysis of variance of multiple regression model for Y3 indicates the overall significance of the model fitted. The
coefficient of determination $R^2$ value showed that these variables put together explained the variations of $Y$ to the extent of 38.5%.

**Functional Factors**

Weighted Average Ranking Analysis is to estimate and compare the mean opinion scores on the various functions of SHGs among the respondents, two method are performed

1. Weighted average analysis is performed using ranked data and assigning score. The highest score gets the first rank, the next highest score gets second rank and following this all the values are assigned ranks.

2. Weighted average analysis is performed using five rating scale and by assigning score 5 for strongly agreed, 4 for agreed, 3 for undecided, 2 for disagreed, and 1 for strongly disagreed and the results are presented.

- Among the purposes of SHG’s formation, the mean score for ‘self employment’ is higher and stood at first, followed by ‘earning money’ secured next higher score and stood at second, the purpose ‘improving social status’ stood third, “sharing risk” fourth, “discouraging child labour” fifth, “educating children” sixth and “serving society” secured the least score and stood at last.

- Among the opinion on meeting, the mean score for the opinion ‘held properly’ is higher and stood first, followed by ‘members opinion are accepted’ second, ‘minute book maintained’ third, “informed priorily” fourth, “proceeding are recorded” fifth, “all members participate in the meeting” sixth, “attendance compulsory” seventh, “all members attend meeting” eighth, “all members sign” ninth and “fine for absence” secured the least score and stood last.
Among the opinion on training, the mean score for the opinion ‘given to all members’ is higher and stood first, followed by ‘place time and date informed priorly’ second “useful and helpful” third, “given by talented persons” fourth, “given to animator” fifth, “given to representatives” sixth, “all members attend” seventh, “compulsory training” eighth, “related to business” ninth, “related to SHG activities” tenth, and “fine collected for absence” secured last and stood last.

Among the reasons for prompt repayment of loan by the respondents, the mean score is higher and stood at first for the reason ‘promotion of future funds’ followed by the reason ‘to maintenance of goodwill’ secured higher score and stood second, the reason ‘NGO’s intervention’ stood third, “members pressure” fourth, “Government interference” fifth, “loss of security” secured least score and stood last.

Among the opinions on the economic role of SHGs, the mean score for the opinion ‘increase self confidence’ secured higher score and stood first, followed by ‘increase income’ second ‘increase unity’ third, “creation of employment” fourth, “increases family education” fifth, “increases status in society” sixth, and “helpful to Government” stood at last.

Among the opinion on Commitment of members to the group, the mean score for the opinion ‘supporting group saving’ stood first, followed by ‘depositing savings amount in bank’ second and ‘attending meeting conducted by NGOs’ third, “Co-operating with co-members of the group” forth, “contributing ideas during meeting” fifth, “keeping proper records” sixth, “participating in meeting held in collector ate office” seventh, and “participating in social activities” secured least score and stood last.
Performance Factors of SHGs

The Discriminant function analysis is performed between two groups of respondents namely respondents of SHG with lower sales and respondents of SHG into the two groups as well as to identify the variables discriminating between the groups and their relative power in discriminating between the groups. Out of the total 222 respondents of SHGs under group I and group II, 166 respondents of SHGs the fitted discriminant function correctly classified and the percentage of correct classification is 74.8% and among the variables under study, three variables namely number of member (X1), occupation (X4), and education (X3) are substantially important variables in discriminating between groups namely group I lower and group II higher monthly sales SHG's.

The Discriminant function analysis performed with another two groups namely respondents of SHG with lower profit and respondents of SHG with higher profit. Out of the total 180 respondents of SHGs under group I and group II, 112 respondents of SHGs the fitted discriminant function correctly classified and the percentage of correct classification is 62.2% Among the variable under study, three variables namely number of members (X1), occupation (X4), and education (X3), are substantially important variables in discriminating between groups namely low and high profit SHGs

Constraint Factors

Using 14 constraints in attend training by SHG members Factor Analysis is performed. Four factors have been extracted and these 4 factor put together explain the total variance of the 14 constraints to the extent of 69.28% and the constraints in attend training are grouped into four factors.
Socio-Economic Factors

Using 21 socio-economic role of SHG, Factor Analysis is performed to condense, simplify the roles, extract few factors and classify the roles into factors extracted. Out of the 21 roles of SHG's, 6 factors have been extracted and the roles are grouped into these 6 factors, explaining the total variance to the extent of 71.23%.

Socio-Economic Factors and Marketing Factors

There is significant difference in the mean agreeability score on SHGs socio-economic roles among the nature of business groups and the mean score is higher in servicing than that of manufacturers and traders.

Promotional Factors

There is significant difference in the mean score on the benefits of savings among types of business namely individual and group business.

There is significant difference in the mean score on the benefits of employment among types of business namely individual and group business.
Suggestions

The following are the suggestions for the growth and development of SHGs

For formation of SHGs

- There are various sources such as SHPIs, NGOs, Banks, NABARDs, etc., for the SHGs formation, among the various sources NGOs seems to be better to undertake SHG formation. The process of formations of SHGs should be simple and systematic.
- The policy should be clear for admitting a new person and for a person leaving the group
- The duration for forming the groups should be short.

For conducting meeting of SHGs

- The meeting should have a broad agenda for discussion. There should be enough flexibility to change the agenda if more important items have to be discussed.
- The meeting should be a sharing ground for information like group activities and any other information that might be of useful to group members. The groups should be trained to discuss the village problems which affect them. Important programmes like health, sanitation, good nutrition, etc., should be discussed.
- All the members should be given an opportunity to participate and encouraged to take decisions.
For internal fund saving of SHGs

- Regular group savings is the best test of group sustainability: if members are ready to entrust their savings to the group, the group must be doing well.

- The savings habit must be encouraged as a value in itself and not just as a means of increasing the funds. It encourages the thrift habit and controls unnecessary consumption.

- Internal credit facility should be extended to all the members, in order to develop their managerial skills for prompt repayment.

- Savings promote the groups financial discipline which leads to high repayment rates. Due to this aspect banks are more likely to loan to groups that saves.

For training of SHGs

- Training in book-keeping, accounts, fund management and other financial matters related to SHGs is essential to make the members competent enough to deal with the increasing volume of transaction.

- Adequate training shall be provided to improve their managerial skills, production and marketing along with development programmes like health and nutrition woman and child welfare etc.,

- Most of the training programmes are short term in nature. Effective and efficient training can be had only with the help of long term training programmes. So the training programmes should for long term.

- To enhance the participation of all the members and animators, frequent training programmes should be conducted for both, animators and members.
For bank loan

- Banks provide financial facilities but there has been some delay in the sanctioning of loan. So quick sanctioning of loan is necessary.

- Micro Credit should also be used to meet the current needs of the poor women such as for health, children education, consumption purpose. This will lead to improve in the quality of their life and will enable them to identify activities for economic betterment.

- They should be made aware of various credit facilities and financial incentives.

For the marketing activities of SHGs

- Good packing and branding of products and publicity should be introduced to capture the market.

- Competition for marketing their products should be overcome by canvassing and advertisement.

- Necessary steps may be initiated to solve the problem of shortage of raw material

- To boost sales, proper awareness to the public regarding the products and their utilities must be given; more shopping complexes should be constructed by the government.

- Government should assist the groups to participate in trade fair, exhibition and conference to improve their sales.

To the government:

- The government policy makers have to re-evaluate the strategies on education for women and their entrepreneurial development and it should be planned and implemented.
• Government should announce more prizes and awards for well performing groups, which would encourage them and will be a motivation for other groups to perform well.

• Introduce special pension scheme for SHGs women to become independent in their old age.

• Individual loan, housing loan, etc should be provided at time and subsidy should also be provided.

To the SHGs

• There should be rotation of group leadership so that all the members of the group get an opportunity to play managerial role.

• Successful SHGs have to help other SHGs in starting and sustaining in their business.

• Literacy levels have to be enhanced and educations should be compulsory.

• Family members should extend all their support in the matters of managing their work.

• The members should create mental stability to oppose social evils.

• The members of the SHGs should visit to successful group and share the experience and knowledge.

• The group leaders of different groups should meet frequently and discuss the progress of their groups.

• The members of the groups should feel that they are relatively important for the growth of themselves and for the growth of economic development.

• In order to be successful members of the group, the co-ordination and cooperation among the group members is very essential.
• The entrepreneurial activities of the groups would be gainful, only if the members actively participate. They should not be a member just for availing the internal and bank loans.

The above suggestions if implemented the groups will work effectively and efficiently, which will improve the economic condition of the group members' and the socio-economic status of the women will increase.
CONCLUSION:

The concept of SHGs is catching up as the most viable means of mobilizing the support for the poor at the grass roots particularly for the women folk. SHGs are concerned with the development of women in all respects along with a sound knowledge about their rights and duties. To make the SHGs really meaningful and successful, the governments at different levels have to intervene in a large scale not as financier or provider to other inputs but as facilitator and promoter. Since the markets are highly dynamic and for the growth and sustainability of micro enterprises, the entrepreneurs must be able to understand the behavior of markets and respond appropriately to the challenges of competition. Micro enterprise promotion among women requires comprehension of market dynamics also in addition to innovations and creativity.

SHG approach is a very powerful instrument for socio economic empowerment of the women. It could be used as a launch pad for various development initiatives. It can really become a national movement and be an answer for eradicating poverty from the country.