CHAPTER VI
ANALYSIS OF FACTORS INFLUENCING THE ENTREPRENEURIAL BEHAVIOUR OF MEMBERS IN SHGS

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7.1 INTRODUCTION

An optimum utilization of human resources is a pre-requisite for achieving a higher growth rate in any economy. Hence, participation of women in the productive
economic activities in India can help us in the achievement of a higher growth rate. This study is an attempt to find the entrepreneurial behaviour among the members of Self Help Groups in Virudhunagar district. The study begins with the role of women in the socio-economic development and the role played by SHGs to develop individual personality. It proceeds to analyse the structure and working of the SHGs and the characteristics of the respondents in the study area. It also measures the extent of entrepreneurial skills acquired by the members through the measures taken by the Government through SHGs. It identifies the various factors influencing the entrepreneurial behaviour of members of SHGs. The title of this thesis is “A Study on the Entrepreneurial behaviour among the Self Help Groups in Virudhunagar District”. The findings and suggestions that have emerged from the study are briefly stated in the present chapter.

7.2 SUMMARY OF FINDINGS

Tamil Nadu is one of the leading States of India in promotion of the Self Help Groups. In Tamil Nadu 5, 11,906 SHGs have been formed as on 31.12.2012 under Mahalir Thittam. These SHGs have an enrollment of 79.28 lakhs of women members involved themselves in SHGs with a savings of Rs.3,084 crores and the total credit linked with banks Rs.12,773 crores. Mahalir Thittam is a socio-economic empowerment programme for women. It is based on Self Help Group approach. It is implemented in partnership with the Non Governmental organizations. This scheme for women was first started in a small way in Dharmapuri District in 1989, with the assistance of International Fund for Agricultural Development. Later it was extended to
the Salem and South Arcot District in 1991-1992 and further extended to Madurai and Ramanathapuram Districts in 1992-1993. It is a vibrant co-operative movement gradually spread across all the districts of the state.

SHG is a small Group of rural and urban poor who have voluntarily come forward to form a Group for improvement of the social and economic status of the members. The size of the Group has ranged from 10 to 20 members. The average size of Group has 17 members. The revolving fund along with subsidy amount disbursed in Tamil Nadu was Rs.2,414.82 crores upto 2011-2012. The district-wise credit linkage achieved by the banks in Tamil Nadu is 2,574.22 crores from the year 2008-2009 to 2012-2013.

In the study area, the SHGs were started during the year 1997-1998 as the Mahalir Thittam was commenced in Virudhunagar District from November 1997. At present there are 16,702 SHGs under Mahalir Thittam with 19 NGO’s in Virudhunagar District. The year wise growth rate of SHGs in Virudhunagar District shows fluctuating trend. The total savings contributed by the members of SHGs in the study area was Rs.6,009.32 lakhs. The total revolving fund along with subsidy and Economic Assistance provided to SHGs were Rs.790.35 lakhs and 1,131.00 lakhs respectively. During the last five years, 5,545 members of SHGs were provided trainings like youth skill training, skill training to Adolescent, Enterprise development training, Economic Assistance training and refresher training. Pandian Grama Bank has covered the maximum number of SHGs for credit linkage during the study period. During the period from 2008-2009 to 2012-2013, there are 21,318 SHGs linked with banks for credit including repeat loan and the total amount
The major findings of this research study are as follows:

7.2.1 Opinion of Animators towards the Entrepreneurial Behaviour of Members in SHGs

7.2.1.1 General Information about SHGs

- Majority of the SHGs (51.43%) are formed and they are functioning in rural area.
- It is inferred that 55.24 per cent of SHGs have the size of members ranging from 10 to 15.
- It is identified that 54.29 per cent of SHGs have selected the members on the basis of poverty.
- Nearly one-third of the SHGs have experience up to 3 Years.
- Most of the SHGs (40.00%) are operating under the guidance of Non-Governmental Organization.
- Majority of the SHGs (88.57%) have borrowed loan from the outside sources and the main source used for receiving the loan by them is bank.
- It is noted that majority of the SHGs (89.25%) are regular in repaying the loan amount
- It is seen that 98.10 per cent members of SHGs have received loan from their Group and have regular in repayment of internal loan.
- Majority of the members (85.71%) have attended various training programmes offered to them. The main training attended by them is SHG Member training.
- Out of 105 SHGs, 53.34 per cent of SHGs have earned income of less than
Rs.10,000 per month and 82.86 per cent of them have used the income mainly for internal lending purpose.

- It is noted that 74.29 per cent of the SHGs have received Grade and 75.65 per cent of the SHGs have achieved “A Grade” given by the Grading Committee.
- K.S. Test has been applied to assess the opinion of Animators about the overall performance of SHGs. The result shows that there is a significant difference in the performance levels of SHGs.

### 7.2.1.2 Opinion of Animators about Entrepreneurial Behavior of Members

- It is found that 70.48 per cent of Animators have opined that the members have given innovative ideas to the business. The main innovative idea given by members is ‘adopted new methods of production’.
- Majority of the Animators (84.76%) have replied that the members have participated in business activities. ‘Production and selling activities’ is identified as the main participation by the members.
- It is identified that 98.10 per cent of the Animators have stated that the members have actively participating in Group activities. The main activity done by the members in the Group is ‘Asking their questions and doubts’.
- Most of the Animators (93.33%) have felt that the members have extended their co-operation mainly for ‘Paying savings and subscription amount’.
- Majority of the Animators have answered that the members have not contributed to planning activities.
With regard to the goal achievement level of members, most of the Animators (75.24%) have replied that the members have set the goals in their life.

The opinion concerned with the risk taking level of members, 63.81 per cent of the Animators have responded that the members have not faced the risks.

The responses related to the decision-making level of members, 85.71 per cent of Animators have expressed that the members have taken decision related to Group and business activities. The main decision taken by the members for Group activities is ‘analyzing the preference of loan sanction to members’ need’ and for business activities, it is ‘routine problems of business’.

As per the opinion of the Animators on self confidence level of members, majority of the Animators (90.48%) have noted that the members have self confidence when they are involving business and Group activities. Sign test has been applied to know the level of self confidence of members in SHGs at various situations. The result confirms that there is a significant difference between the responses of Animators towards the self-confidence level of members in SHGs.

Majority of the Animators (83.81%) have felt that the members have exposed the skills after attending the training programme. The main nature of skill exposed by members after attending the training programme is ‘Self-confidence’.

It is noted that majority of the Animators (76.19%) have observed that the main motivational factor behind the members for their entrepreneurial development on seven given statements is ‘Government support’. Sign test has been used to analyze the motivational factors behind the members for their entrepreneurial
development. It is found that there is a significant difference among the motivational factors of SHGs and their entrepreneurial development.

- Regarding the level of leadership skills of members, all the Animators have identified that the members have ability to get the work done through others. This analysis has also checked by using Sign Test. The result shows that there is a significant difference between the responses of Animators towards the leadership skills level of members.

- The study has analysed cosmopolitan outlook of members. Majority of the Animators (80.00%) have pointed out that the members have attended the meeting organized by Government and NGO’s authorities. This analysis has tested by adopting Sign test. The result confirms that there is a significant difference between the responses of Animators towards the cosmopolitan outlook of members after joining SHGs.

- Majority of the Animators (95.24%) have felt that members have learned entrepreneurial skills after joining SHGs. Through Garret ranking analysis, it is identified that the ‘Self confidence’ skill has secured the first rank.

- Factor analysis has been used to identify the main benefits received by the members after joining SHGs. The result confirms that the main benefit received by the members after joining SHGs is ‘Entrepreneurial benefits’.

- Chi-Square test has been applied to know the level of entrepreneurial behaviour of members compared with their personal variables of SHGs. The results confirm that there is a significant relationship between the size of the SHGs and their level
of entrepreneurial behaviour. For the remaining personal variables of SHGs, the result found that there is no significant relationship between the area of existence of SHGs, literacy level of members and the years of existence of SHGs and their level of entrepreneurial behaviour.

- It is identified that majority of the Animators (63.81%) have opined that the members have medium level of entrepreneurial behaviour.

7.2.2 Profile of Members of SHGs in Virudhunagar District

- Majority of the members (60.32%) belong to the age Group between 31 to 40 years.
- It is found that 94.29 per cent of the members are Hindus.
- It is noted that most of the members (63.81%) belong to the backward community.
- More than half of the members (51.43%) have their residences in rural areas.
- It is identified that most of the members (39.68%) have experience as a member below 3 years.
- It is showed that majority of the members (91.11%) are literates and 56.45 per cent of the respondents have studied up to Secondary school level.
- It is seen that majority of the members (93.97%) are in Nuclear family and 98.41 per cent of the respondents are married.
- Majority of the members (72.38%) have motivated by Non Government Organizations to join in SHGs.
More than half of the respondents (65.40%) have started the business as Group and 59.04 per cent of the members have made investment of less than Rs.50,000 for Group business.

It is inferred that out of 315 respondents, 95.87 per cent have both owned and borrowed capital. Majority of the respondents (90.73%) have borrowed loan from banks and 96.69 per cent of the members have regular in repaying the loan amount. The main source used for prompt repayment of loan of respondents is income from business and 95.03 per cent have opined that the loan amount received by them is sufficient.

As per the opinion of the members, most of the members (39.05%) have occupied the market only up to the limited area.

Nearly half of the respondents (45.40%) have stated that the average turnover lies between Rs.30,000 – Rs.50,000.

It is concluded that 96.19 per cent of the respondents have competition in the business and 49.21 per cent of the members have fixed the price based on cost plus price. Majority of the members (93.02%) have undertaken promotional measures to boost up sales. The main promotional measure undertaken by them is ‘Exhibition’.

T test has been applied to ascertain the change in the average income level of members before and after joining SHGs. The result confirms that there is a significant difference between the change in the average income level of members before and after joining SHGs.
- Chi-square Test has been used to analyze the opinion of members towards their earnings level. The result confirms that there is a significant relationship between the membership status and the earnings level of members.

- Mc Nemar Test has been adopted to identify the ways of utilizing the earnings of members before and after joining SHGs. It is found that there is a significant difference in the utilization of earnings of members before and after joining SHGs.

- T test has been applied to analyze the value of assets of members before and after joining in SHGs. The result shows that there is a significant difference between changes in the value of assets of members before and after joining SHGs.

- Regarding the training attended by the members, Majority of the members (95.87%) have attended training programmes. The main nature of training programme attended by them is ‘SHG Member training’ and 95.69 per cent of the respondents have opined that the training programme was useful.

- Majority of the respondents (97.02%) have felt that the training is adequate.

- Garret ranking method has been used to identify the major benefits received by the members after joining SHGs. ‘Financial assistance’ is the main benefit obtained by them after joining SHGs.

- Mc Nemar Test has been applied to analyze the opinion of members towards awareness about social issues before and after joining SHGs. The result confirms that there is an improvement in the awareness of members towards social issues after joining SHGs.
7.2.3 Opinion of Members towards their Entrepreneurial Behaviour

- Weighted Average method has been used to analyze the overall opinion of members towards their entrepreneurial skills in SHGs. The results of weighted average method confirm that the overall entrepreneurial behaviour of members on the basis of mean scores, first rank has given to Motivational skills, followed by cosmopolitan outlook, Self confidence, planning, leadership, decision making, Goal achievement, innovativeness, information seeking and Risk taking. It is found that majority of members have opined positively towards their level of entrepreneurial behaviour.

7.2.4 Analysis of various Factors Influencing Entrepreneurial Behaviour of Members in SHGs

- Kruskal Wallis Test has been applied to analyze the various personal factors influencing the entrepreneurial behaviour of members. The results confirm that there is a significant difference between the personal variables like age, area of residence, experience as a member of SHG and type of family of respondents and their perception on entrepreneurial skills. For the remaining personal variables, the result found that there is no significant difference between the religion, community, literacy level and marital status of members and their perception on entrepreneurial skills.

- Factor analysis has been used to analyze the motivational factors behind the entrepreneurial development of members. The factors are Grouped in to six namely Factor - I – Entrepreneurial Ambitions’, Factor - II – ‘Social Recognition

### 7.3 SUGGESTIONS

1. Still some of the SHGs have not yet graded by the grading committee because, they are not properly functioning and not fulfilling the qualification criteria. Hence, the concerned authorities should motivate them by telling the success stories of various SHGs in different parts of the regions. If possible, the Animators and representative of the most successful SHGs may be made to share their experiences which will definitely motivate the members of other SHGs in the right direction. They should create awareness and motivational programmes about the importance and benefits of getting grade for SHGs. Unity, co-operation, co-ordination, transparency, democratic rule are expected to be followed by the members in their Group as well business activities that will lead to well functioning of SHGs in the study area. They should make a regular visiting of SHGs in order to ensure the well functioning of the SHGs.

2. Some of the Animators of SHGs have felt that the members have not given innovative ideas to the business. The members in their opinion about the entrepreneurial behaviour have given least mean scores to the innovativeness skill which is identified through weighted average method. Therefore, the authorities of
the Mahalir Thittam should concentrate on research programmes about business, product, market, customer and technology. The members should be allowed to participate in it. Thereby they can develop innovativeness skill. Hence, more number of training programmes should be conducted to develop the innovative skills of the members.

3. Majority of the Animators have felt that the members have not contributed in planning activities. The authorities may make a strict rule and implement it that all the members should take active part in planning activities of the Group as well as business activities. If any member is not taking participation continuously in planning activities, she will be deprived of benefits of SHGs. Some awareness and motivational programmes should be given to the members about the importance and benefits of planning activities. The members who have contributed in planning activities should be appreciated and recognized in front of others.

4. Majority of the Animators have felt that the members are not ready to face the risks involved in business because of fear about loss. The concerned authorities should give awareness and motivational programmes about how to face the risks by having safety measures against them, arrange infrastructure facilities, and educate the members to understand the various types of risks and ways and means to tackle them.

5. Majority of the Animators and Members have opined that they have attended only SHG Member training. The NGO’s and Government authorities should provide more number of skills oriented and entrepreneurial oriented training programmes
to the members at frequent intervals in each SHG by creating opportunities to
them. This will definitely help the prospective women entrepreneurs to develop
various skills required for a successful business operation. Having a close tie-up
with the neighboring higher educational institutions, technical centers, trade
associations and industrialists association will help a lot to achieve the desired
results.

6. Some of the members have felt that Contents of trainings is not adequate and
Period of training is not sufficient. The training period should be increased and its
contents should be adequate and easy to understand by all. Few members have not
attended the training, in the study area. Hence, members should be motivated to
attend the training programmes by telling its importance and benefits.

7. As per the opinion of Animators, the members have medium level of
entrepreneurial behaviour. Through proper entrepreneurial oriented training
programmes, the level of entrepreneurial behaviour should be promoted and
improved.

8. In the study area, majority of the members have the market only up to the limited
area. Hence, continuous marketing support should be given by the authorities to
extend the market area of business of members beyond town limit. This should be
done by conducting exhibitions frequently at each Block or Taluk, creating a
separate market for SHGs’ products in Taluk and conducting Sales Melas at
district level, State level and National level to extend the market by the SHGs at a
maximum level.
9. Majority of the members have given least scores to the risk taking skill and innovative skills that means they are lacking on these skills. Hence, the authorities of Mahalir Thittam should concentrate on research oriented trainings; teach the lessons of case studies conducted by different SHGs at various regions in order to motivate them to develop these skills required for a successful business operation.

10. Few members of SHGs have not regular in repaying loan amount. Hence, proper reasons should be identified and try to solve it in order to develop the repaying culture of members.

11. Some of the members have felt that the loan amount extended to them is not sufficient. According to the needs of members, adequate and timely loan should be provided by the concerned authorities.

12. Some of the members have not undertaken promotional measures. Hence, authorities should provide adequate finance, marketing support and infrastructural facilities to them to undertake promotional activities.

### 7.4 Conclusion

Self Help Groups have played a vital role to reduce the poverty level of both rural and urban poor during the study period. It has created a good platform to empower the women through entrepreneurial activities. Mahalir Thittam Scheme of Tamil Nadu Government is a boon to women for improving their status as economically, legally, socially and politically. It is observed that the members have faced certain problems within the Group and outside the Group. If the above suggestions are implemented by the
Government and the officials of the Mahalir Thittam, they would be able to do the business and Group activities without any difficulties. The present study is also very useful to the planners and decision makers related to this scheme to formulate certain policies for the development of SHG members.

7.5 SCOPE FOR FURTHER RESEARCH

1. A Study of Problems and Prospects of Entrepreneurs in Self Help Groups
2. A Study on Women Empowerment through Self Help Groups
3. A Study on Women Entrepreneurship through Self Help Groups
4. A Study of Financial Inclusion through Self Help Groups
5. A Comparative Study of Performance of Self Help Groups in two or more Districts
6. Socio-economic Impact of SHGs – A Comparative Analysis of Two Districts