CHAPTER – III

METHODOLOGY

This chapter presents the scope of the study, objectives, hypotheses, methodology, and limitations of the thesis.

3.1 Scope of the Study

The present study is limited to an empirical study on the role of Self Help Groups in promoting women entrepreneurship in Tirunelveli District, Tamil Nadu. SHGs play a major role in women entrepreneurship in collaboration with TNCDW, NGOs, and banks and contribute for the upliftment of the rural economy.

It also covers the role of SHGs, promotional agencies TNCDW, DRDA in promoting the development of women entrepreneurs. This research is an attempt to classify the enterprises, income, indebtedness, price determination, marketing, various skills gained by women entrepreneurial development training etc. Finally, the study would also try to offer constructive suggestions for evolving enterprise and suitable policy for self help group women entrepreneurs.
3.2 Objectives of the Study

The specific objectives of the study are the following:

1. To identify and categorize the trained women entrepreneurs in SHGs.
2. To analyze the socio-economic factors of trained SHG women entrepreneurs.
3. To evaluate the SHG entrepreneur’s levels of attitude, skill and knowledge gained through entrepreneurship development training programme.
4. To analyze the role of SHGs in entrepreneurial activities.
5. To evaluate the economic factors of trained SHG women entrepreneurs.
6. To identify SHG women entrepreneurs’ problems and suggest remedial measures to promote women entrepreneurship.

3.3 Hypotheses of the Study

1. There is a relationship between the performance index of women entrepreneurs and the influencing factors such as age of start, education, experience in the field, family background, family support, bank credit, type of ownership and entrepreneurial training.
2. Profit is determined by the financial factors like production, investment and loan amount.
3. The income of the women entrepreneurs does not have any significant influence on household income.
3.4 Methodology

Research Design

Tamil Nadu government gives more importance in promoting women entrepreneurship through SHGs under the guidance of the TNCDW. So the researcher has chosen this topic for in-depth analysis.

The present study is empirical and hence field survey method and personal interview technique were adopted. Multi-stage stratified random sampling technique has been adopted for the study taking Tirunelveli district as the universe, the block as the stratum, the NGOs as the primary unit and SHG trained women entrepreneurs as the ultimate unit.

The study was conducted in Tirunelveli district of Tamil Nadu. Since, it has been observed from the TNCDW’s secondary data, SHGs are promoting more number of women entrepreneurial trainees in Tirunelveli district. Tirunelveli district comprises of three revenue division namely Tirunelveli, Cheranmahadevi, Tenkasi. It consists of 11 taluks and 19 blocks. Out of the 19 blocks Palayamkottai, Ambasamudram, Valliyoor, Radhapuram were selected as study area since they have more number of SHGs. In the chosen blocks, four NGOs called Social Change And Development (SCAD), AUSSI Community Development and Educational Society (AUSSI), Community Action for Social Transition (CAST), and Jana Priya Trust are selected as sample unit which are mainly facilitating in promoting SHGs women entrepreneurs through different entrepreneurial skill oriented training programme which is reported by TNCDW.
According to the report of SCAD, AUSSI, CAST, and Jana Priya Trust, the number of promoted SHGs women entrepreneurs are 112 in Palayamkottai, 101 in Radhapuram, 83 in Ambasamudram, and 74 in Valliyoor block during the year 2005-06, in which year, 6220 (from TNCDW report) SHG members have participated in entrepreneurship development training programme from Tirunelveli district. The total sample SHG trained women entrepreneurs in the study area is 370.

Table 3.1 Block-wise Distributions of Sample SHG Women Entrepreneurs Promoted by SHGs

<table>
<thead>
<tr>
<th>S.No</th>
<th>Name of the Blocks</th>
<th>Name of the NGOs</th>
<th>Sample Women Entrepreneurs (2005-2006)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Palayamkottai</td>
<td>SCAD</td>
<td>112</td>
</tr>
<tr>
<td>2</td>
<td>Ambasamudram</td>
<td>AUSSI</td>
<td>83</td>
</tr>
<tr>
<td>3</td>
<td>Valliyoor</td>
<td>CAST</td>
<td>74</td>
</tr>
<tr>
<td>4</td>
<td>Radhapuram</td>
<td>Janapriya Trust</td>
<td>101</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td></td>
<td><strong>370</strong></td>
</tr>
</tbody>
</table>

Source: Secondary data
3.4.1 Method of Data Collection

The study is based on both primary and secondary data. The primary data were collected through the interview schedule from the sample respondents (trained SHG women entrepreneurs through the sample NGOs) during the year 2010-2011. Care was taken to avoid bias and several cross checks were applied to ensure accuracy of data.
The secondary data were collected from Tamil Nadu Corporation for Development of Women Ltd., (TNCDW), Annual reports of the NGOs, District Rural Development Agency (DRDA) and also from Government Reports, Journals and websites. Population figures were taken from the Census Report of 2011.

3.4.2 Classification of Entrepreneurial Activities

The entrepreneurial activities have been classified into three:

1. Production

SHG has given more training, related to production activities for their members. In the study area, 164 sample SHG trained women entrepreneurs are involved in production activities such as brass work, dairy farming, banana fiber making, mat weaving, bamboo bag making, pickle making, phenyl making etc.

2. Business

SHG trained women entrepreneurs are also engaged in some business such as garments sale, fruits vendors, vegetable vendors, petty shops, eatable sales, tiffin centre, etc.. In the total sample respondents, 134 respondents are from business activity.

3. Service

In the sample respondents, 74 respondents are doing service activities such as iron, do tailoring, xerox shops, grinding mills etc. in the study area.
3.5 Statistical Tools

The primary data collected from the respondents were classified and tabulated for purpose of analysis and drawing of inference. Tools such as percentages, averages, multiple regression techniques and annual average growth rate were used.

Gini Co-efficient

In order to measure the inequality in the distribution of income Gini co-efficient was employed.

Gini co-efficient (G)

\[
G = 1 - \sum_{k=1}^{n} \left( \frac{p_k - p_{k-1}}{p_k} \right) \left( \frac{q_k + q_{k-1}}{1000} \right)
\]

where

\[p = \text{Cumulative percentage of persons}\]
\[q = \text{Cumulative percentage of income}\]
\[n = \text{Number of classes used in the analysis}\]

Multiple Regression - Assessment of the Activities SHG Trained Women Entrepreneurs

Multiple regression analysis is used to determine the variables that enable the SHG women entrepreneurs. The variable ‘Women Entrepreneurs assessment Index’ is taken as the dependent variable and following variables are independent (explanatory) they are:
\[ PI = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + \beta_6 X_6 + \beta_7 X_7 + \beta_8 X_8 + e \]

Where,

- \( PI \) = Assessment index
- \( X_1 \) = Age
- \( X_2 \) = Education
- \( X_3 \) = Experiences in the field
- \( X_4 \) = Family background (Education)
- \( X_5 \) = Family support (1 = Yes and 0 = No)
- \( X_6 \) = Bank credit (1 = Yes and 0 = No)
- \( X_7 \) = Type of ownership (1 = Individual, 2 = Group
  and 3 = Partners)
- \( X_8 \) = Entrepreneurial training (1 = Yes and 0 = No)

**Multiple Regression - Determinants of Profit**

To find out the determinants of profit a multiple regression has been used and the following multiple equation is followed.

\[ Y = a + b_0 X_1 + b_1 X_2 + b_2 X_3 + e \]

Where,

- \( Y \) ----- Profit
- \( X_1 \) ----- Level of Production
- \( X_2 \) ----- Level of Investment
- \( X_3 \) ----- Loan Amount
Simple Regression - Determinant of Total Household Income

For testing the hypothesis the monthly income of household (Y) and the monthly income of the women entrepreneurs (x) are taken. The simple linear regression equation by ordinary least square method is applied and the results are shown below

\[ Y = a + bX + U \]

Where,

- Y ----- Total household income+
- X ----- Total income of the women entrepreneurs
- U ----- Error term or random disturbances

Average Annual Growth Rate (AAGR)

The average annual growth rate shows the average percentage change of the base year to current year.

The formula used for this computation is:

\[
\text{AAGR} = \frac{1}{n} \sum_{t} \left( \frac{Y_t - Y_{t-1}}{Y_{t-1}} \right) \times 100
\]

Where \( Y_t \) and \( Y_{t-1} \) are values for current year and base year respectively and \( n \) is the number of years of the time series (Acharya Madnani, 1988).

3.6 Pilot Study

The researcher visited Palayamkottai, Ambasamudram, Valliyoor, and Radhapuram blocks in Tirunelveli district during the month of May 2010, to find
out the validity of interview schedule. 50 respondents were pretested. The main objective of pre-testing is to find out the respondents’ opinions, the language used and to rule out ambiguities and doubts. During this exercise several suggestions are received from the relevant respondents. In the light of those suggestions, several questions have been revised and some new questions are added in the final draft.

3.7 Importance of the Study

This study leads to the proper recognition of the women entrepreneurs and formulation of new policies. This may go a long way to eradicate discrimination and gender inequality in general and empowerment of women entrepreneurs in particular.

This study will also help the women entrepreneurs in the study area to take necessary steps to give effective entrepreneurship development training programme. It is hoped that the findings of this study may help for the development of rural women entrepreneurs meaningfully and to develop future strategy.

3.8 Limitations of the Study

The study is based mostly on primary data; the researcher had to depend on the information given by the respondents. Most of the SHG women entrepreneurs are poorly educated and did not have the practice of maintaining any records for their daily gross income, net income, operating expenses, disposable income and
consumption expenditure. The respondents could furnish the information for the questions only from his memory and hence the information furnished by them was subject to the recall bias. However the reliability of the data was ensured by repeated questioning in different ways and by cross-checking with similar information provided by other well-informed women entrepreneurs in the study area.

Moreover, the present study is basically carried out at the micro level and limited to a sample size of 370 SHGs trained women entrepreneurs in four blocks of Tirunelveli district, and hence the findings of the study cannot be generalized at the macro level. With all these limitations the generalization of the inferences of this study has to be done with maximum care. Therefore the conclusion of this study is indicative rather than imperative.