

**EMPOWERING WOMEN ENTREPRENEURS THROUGH SELF-HELP GROUPS: A STUDY  
ON GROWTH AMIDST THE COVID-19 PANDEMIC**

**Dr. Nirmesh Sharma** Associate Professor Head BBA, Quantum University, Roorkee  
**Vibha Pundir** Research Scholar (Economics), Gurukul Kangri (DU) Haridwar

**ABSTRACT**

Self Help Groups (SHGs), often known as frugal and credit groups, are mostly unofficial associations whose members pool money and re-lend within the group as needed. These groups share a similar sense of need and inclination for banding together. Many of these organizations were created to support members' desire for savings while also promoting certain industrial activities. The paper examines the 200 Indian SHG businesswomen and 12 clear cut aspects gathered from the literature to define the 'work' and 'business development' in respect to Indian SHG women entrepreneurs. According to the respondents, SHGs' involvement in assisting the business development of women entrepreneurs has been inadequate. SHGs should focus on innovation-driven professions and include training modules for enabling web-based models and exhibiting phases, as well as financial access, to assist in the expansion and recovery of the firm utilizing new ways. In light of the findings, proposals for SHGs and strategy producers in the Indian context have been made to align with shifting market and consumer aspects during the pandemic. The review has contributed to the body of information regarding the needs of SHG women entrepreneurs and the appropriate measures that should be done to assist them in growing their businesses in India.

**KEYWORDS:** Self-help groups, money lenders, Finance, Empowering women, Savings

**INTRODUCTION**

Women entrepreneurs and visionaries are seen as forward-thinking pioneers who fearlessly face all challenges, born scholars, and multitasks, who work as both homemakers and business owners. According to the National Sample Survey Organization's 6th Economic Census (NSSO, 2014), women manage and own 8.05 million of India's 58.5 million firms. Women entrepreneurs and their commitment to the social economy are on the rise in India, particularly since the Industrial Revolution in 1991, and businesswomen are key indicators of financial change. From the 1980s onward, the focus shifted from development to female emancipation. The 73rd and 74th Amendments Acts in the Parliament, which added a 33% reservation (Sharma et al., 2008) to the voting population, marked a crucial turning point for women's emancipation.

The global pandemic-related financial crisis has had a substantial influence on the companies of women entrepreneurs (UN Women, 2020; WE Forum, 2020). SHGs developed in India with the primary goal of providing modest money loans as a solution to the country's and poor's financial challenges. SHGs were familiar with the notion of "Local Area Driven Development," which primarily emphasized financial mediation and microfinance. In India, women account for 90% of all SHGs. SHGs are considered as a way to attract women through cash incentives and social gatherings. Collective and collaborative approach, common trust, affiliation of modest and reasonable number of individuals, spirit of frugality, request-based loaning, guarantee-free, females amiable credit, peer pressure in repaying, expertise preparation, limit building, and strengthening of women are the fundamental standards on which SHGs work. SHGs elevate women's status as members, leaders, and recipients in the majority rule, monetary, and social realms of life, while also encouraging women to create enterprises. Following the pandemic, their position should be updated to account for new circumstances; thus, the current study's purpose was to understand how SHGs' responsibilities in firm growth are evolving.

Women who are well educated and who belong to elite strata of urban society in terms of politics, economics, and social status are the ones who profit the most from women's welfare programmes. It is shockingly rare for women to work in the organized sector or engage in income-generating activities. Women are typically assigned unpaid home chores, and those living in rural areas are particularly affected. Only a pitiful 15% of women are employed in the organized sector. Seasonality, unskilled work, pay discrimination, etc. are characteristics of women's employment opportunities. Table 1 lists the sectors where women outnumbered men in employment.



### **Self Help Group Mechanism through various channels**

According to the UNDP's yearly human development reports, empowering women is not just important, rather it is essential to the sustainability of progress. Women in particular, and notably rural and illiterate women, are never portrayed in developing societies as agents of change.

### **SELF HELP GROUP AND ITS ROLES**

Self-help groups are effective substitutes for traditional methods of achieving rural development goals and enlisting community support for all rural development initiatives. A self-help group is an effective organization that has been established to provide microcredit to rural women in order to develop them as enterprising individuals and to motivate them to engage in entrepreneurial endeavours. In an innovative effort to combat poverty and the socioeconomic crisis, the Indian government has made women's empowerment one of its top priorities. Rural women have joined the self-help movement in large numbers to control their future destiny

According to many studies conducted in India, SHGs have helped women become financially independent and encouraged them to be inventive. Metropolitan SHGs have significantly impacted and empowered

women (Patel and Patel, 2017). According to an assessment in India's NCR district, SHGs using microfinance have assisted women in creating and implementing new ventures, improving their dynamic capacities, and becoming socially involved (Bansal and Singh, 2019). Essentially, in another examination throughout Indian states, it was found that financial strengthening among SHG ladies is improved with the purpose of making little endeavours through admittance to microfinance provided by their SHGs. According to a study conducted to investigate the empowerment of rural women through SHGs in the Bilaspur area of Chhattisgarh, India, women are engaged in three ways: economically, socially, and politically as a result of partnering with SHGs. According to the World Bank website (April, 2020), SHG ladies in 90% of Indian regions are effectively supporting the eradication of the Covid 19 pandemic by assembling facial coverings, sanitizers, running local area kitchens, and providing basic products through the NRLM, which has been effectively elevating provincial ladies to overcome poverty by activating them into SHGs across India for the past twenty years.

The Covid 19 epidemic produced various disruptions, particularly in the small and private businesses established by female entrepreneurs. The pandemic's financial emergency has had a significant influence on women's business ventures (UN Women, 2020; WE Forum, 2020). As a result, the roles of SHGs are expected to be altered to meet the evolving needs of these female business leaders and those who support their organisations. To understand the pretended by SHGs in business growth of its female entrepreneurs, the specialists have used the following variables obtained from writing to promote the examination method, gather and dissect the material, and show up at the discoveries and results.

- 1. The financial Access and assistance-**A study conducted in six Indian states focusing on the viability of SHGs found that financial access and support is critical for SHG alliances to ensure outreach, proper administration, and to reduce and limit reliance on outside organisations; it also improves their capacity to confront different financial conditions and legal and administrative structures (Salomo et al., 2010). According to a paper titled "Improvement Costs and Sustainability," a lack of reserve money and an appropriate legal system structure place substantial constraints on the monetary acceptability of SHGs. In a focus in the Nayagarh area of Odisha, centred on 400 SHG ladies from 68 SHGs, it was discovered that key challenges faced by SHGs in assisting women individuals include money and access to financial assets.
- 2. Preparing-** It has been shown that SHG women business visionaries' prosperity can be increased with customary and proper preparation (Mani and Menon, 2012). Preparing structures is an important aspect of SHGs; nevertheless, self-improvement advanced organisations provide training to members of SHGs, particularly women (Sandhu, 2013). A focus in the Ernakulum area of Tamil Nadu, India, has reasoned that education and mindfulness structure significant limitations, alongside government support and access to legitimate preparation stages to further develop promoting abilities and creation techniques (Jose, Chockalingam, & Velmurugan, 2019).
- 3. Promoting Support-**A concentration in Nayagarh, Odisha, discovered that serious issues faced by SHGs in assisting ladies individuals are promoting, with respondents citing a lack of appropriate advertising offices, commercial, and heavy competition as significant imperatives (Suchitra and Bishnoi, 2019). The main challenge faced by SHG women business visionaries is a lack of displaying support from their SHGs. Promoting SHG support is critical for achieving the goals of SHG businesswomen (Poornima and Ramanaiah, 2019).
- 4. Self-awareness** has an important role in increasing the commercial development of women entrepreneurs. As a result, the role of SHGs in providing self-awareness is critical for the business development of female entrepreneurs (Sulur and Barani 2012).
- 5. Access to Technical Resources-**Technical assets refer to new advancements, specialised upgrades, new market mediations in innovation, equipment, and so on. In a study conducted to

better understand the drivers of business success and the needs of women SHGs in the Coimbatore region of Tamil Nadu, India discovered that access to specialised assets is a fundamental and significant indicator of business success (V, Krishnaveni, and Haridas, 2014).

6. **Company counseling-SLI** (Sustainable job drive) is a select company vertical that has adopted a bunch model (Nabard, 2014). Business advice is an important job boundary for SHGs since it encourages women entrepreneurs to make the best decisions and provides practical guidance and support.
7. **Instruction** The role of SHGs in providing education to female business visionaries is critical for their understanding of events and information, which leads to business development (Gupta, 2000). Instruction through preparation in monetary proficiency enables more effective use of assets, particularly for women, who have frequently been barred from attending school and are characterized by lower rates of formal education (Haworth et al., 2016).

Linda et al., 2020. "How Business Leaders Take Advantage of The opportunity Created by COVID19 Pandemic: Changing direction to stay the Course." This study uses current data from the Global Research Institute (GRI) to detect a business model shift in women-owned enterprises and assess the challenges and opportunities faced by female entrepreneurs. According to the results of the poll, there are three key challenges that women entrepreneurs face during the COVID-19 pandemic: a) the recession has disproportionately affected industries where the majority of women work. b) Many of the newest, smallest, and most vulnerable enterprises are run by women. b) During a pandemic, when schools are closed, women face the potential of becoming carers and housewives.

### **STATUS OF SELF HELP GROUPS AND WOMEN ENTREPRENEURSHIP**

The COVID-19 outbreak has exacerbated existing disadvantages, including the gender gap. Last year, World Bank data revealed that women-owned businesses were 5.9% more likely than male-owned businesses to fail. Women entrepreneurs face more stress, according to the findings of small-sample surveys conducted in India. For example, according to a 2020 survey, over three-quarters of women-led organisations encountered cash challenges, compared to half of male-led businesses. The pandemic has simply compounded the hardships that women in India face. Female labor force participation has been dropping for decades, and in 2015, the Global Entrepreneurship Development Institute's Female Entrepreneurship Index ranked us 70th out of 77 countries. In our male-dominated society, starting and running a business is far more difficult for women. According to the NSS 73rd round in 2015-16, approximately 20% of Indian MSMEs are owned totally or partially by women, which is less than the global average of 33%. Women entrepreneurs in India have a 19% rejection rate from financial institutions, which is more than double the 8% rate for men.

The novel coronavirus disease (COVID-19) epidemic stopped several growth initiatives in India. In contrast, women-run self-help groups (SHGs) from India's backward districts fought back valiantly: They produced essential medical supplies such masks, sanitizers, and protective equipment, as well as the novel coronavirus disease (COVID-19) epidemic stopped several growth initiatives in India. In contrast, women-run self-help groups (SHGs) from India's backward districts fought back valiantly: They produced essential medical supplies such masks, sanitizers, and protective equipment, as well as Managing communal kitchens and offering financial aid to the underprivileged. According to a report dated April 11, 2020, the World Bank contributed \$750 million in financial support to the National Rural Livelihoods Mission, which has done excellent job in rural India by reducing poverty gaps.

## **RESEARCH METHODOLOGY**

The current study examines the role of SHGs in the business growth of Indian women entrepreneurs throughout the pandemic period. This study focuses on two key areas: 1. the role of SHGs and the business growth of women entrepreneurs in India. The study collects both primary and secondary data. The current study employs a quantitative research design because it uses well-defined structured variables derived from the literature, clear and well-defined objectives and research questions, and an objective approach to primary data collection via a structured close-ended questionnaire.

The primary source of data is factual data collected by researchers from Indian women entrepreneurs who are members of SHGs using a closed-ended structured questionnaire that covers the socioeconomic profile, growth parameters of women entrepreneurs, and the role of urban SHGs in women entrepreneurs' business growth. The respondents' opinions were captured using a five-point Likert scale. Cronbach's alpha was used to ensure the questionnaire's reliability. Cronbach's Alpha scores for all variables above the threshold of 0.7, indicating a high level of internal consistency for the measuring scale. The components employed in this study were validated using content validity.

The overall Content Validity Index was 0.979, which is higher than the needed threshold value, confirming the validity of the constructs used in this study. Normality in the current study was determined using George and Mallery's test. Normality is indicated by variables having skewness values between +2 and -2, as well as kurtosis values between +2 and -2. All variables in the study had required threshold values, hence normality was supported. The primary source of secondary data is published literature on various aspects of entrepreneurship, such as government studies, research reports, and research papers in reputable journals and books. The researchers employed a structured questionnaire to collect primary data from respondents. The study's sample consisted of women entrepreneurs from India who were members of SHGs. The unit of analysis was women entrepreneurs, and the data was collected via probability sampling, which included basic random sampling. The current study's sample size (200) was determined utilizing the estimation of percentage formula. Aguila and González-Ramírez (2013) employed a 5% margin of error with a 95% confidence interval. The acquired data was analyzed using statistical tools to arrive at the research findings and make the conclusions and recommendations based on them. The current study focused on the function of SHGs in the business growth of Indian women entrepreneurs, hence the study's primary constructs were women entrepreneurs, SHGs, role, and growth.

## **DATA ANALYSIS AND INTERPRETATION**

According to the primary data collected from 200 Indian SHG women entrepreneurs on a 5-point Likert scale, where 5= Always, 4= Very often, 3= Sometimes, 2= Rarely, and 1= Never, it was observed and the respondents stated that the majority of the role parameters, essential for attaining business growth, were not frequently provided by their SHGs during the pandemic period; variable-specific details are given below:

1. **Access to money and assistance-** The majority of respondents (137) reported that their SHG 'very often' provides financial access and support for business growth, however this was not constant during the pandemic period.
2. **Training-** The majority of respondents (107) responded that their SHG 'sometimes' provides training for business growth, while (79) respondents stated that it is 'rarely' supplied.
3. **Promotional support-** The majority of respondents (107) reported that their SHG 'rarely' provides marketing support for business growth during the pandemic time.
4. **Individual development-** The majority of respondents (102) responded that their SHG provides personal growth 'rarely' for company growth.

5. **Accessibility to technology and technical resources-** The majority of respondents (107%) said that their SHG 'rarely' provides access to technical resources for business growth.
6. **Professional Consultancy-** The majority of respondents (99%) reported that their SHG 'rarely' provides business counselling to help them build their businesses.
7. **Education-** The majority of respondents (106) stated that their SHG 'sometimes' provides education for business growth.

According to the above primary data results, SHGs are unable to play a significant role in the growth of women entrepreneurs' businesses during the pandemic period in the Indian context because the major factors influencing business growth, such as marketing support, access to technology and technical resources, training, and education, are rarely or infrequently provided by SHGs. The respondents stated that the pandemic has had two distinct effects on their business: first, their financial resources and support have become unavailable, and second, marketing and networking for products has become extremely difficult, resulting in losses and business closure for some of them.

The widespread problem has led to commercial restrictions like as product quality concerns and alterations, as well as a lack of government assistance and awareness. This has allowed the researcher to comprehend and conclude that there is a need for improved education, training, and awareness, as well as assistance in the form of altered government policies and a framework for SHG women entrepreneurs in India. The researchers also attempted to study the influence of the SHGs' role on income, investment, and business activity promotion among women entrepreneurs in order to analyse and comprehend how the SHGs' position may be amended to suit the changing business climate during the pandemic time. As a result, respondents were asked to rate a series of structured questions on a 5-point Likert scale, with 5 equaling always, 4 equaling very frequently, 3 equaling occasionally, 2 equaling rarely, and 1 equal to never. According to the responses, SHGs are unable to provide consistent support for promoting income, investment, and business activity among women entrepreneurs during the pandemic era.

1. **Role in promoting income-** The majority of respondents (112) stated that their SHG 'sometimes' assists them in raising their income.
2. **Role in promoting business activity-** The majority of respondents (132) said their SHG 'sometimes' helps them promote their business activity.
3. **Role in boosting investment-** The majority of respondents (103%) believe that their SHG 'sometimes' assists them in expanding their investment.

## **CONCLUSION**

The current review's findings indicate that SHGs are an effective strategy to grow women entrepreneurs in India, especially during pandemics. It is obvious that several of the SHG's five firm development variables have enormous implications for any development variable. This study demonstrated that the counsel provided by SHGs had no effect on the growth of women entrepreneurs' enterprises. SHGs' business advice should be enhanced because it is currently ineffective in terms of promoting business growth. Various administrative, special, and credit options are available, but respondents claimed that they lack training and openness and hence are unable to profit from the majority of these benefits. SHG partnerships and pioneers are encouraged and expected to join forces and benefit from these advantages. SHGs can expand their structure to help their entrepreneurs, especially in the aftermath of a pandemic. Women entrepreneurs and SHGs should pay attention to these plans. As a result, it is planned to create a one-stop shop for SHG partnerships and corporate enterprises that want to advance in the country and gain these benefits.

Because the vast majority of SHG women entrepreneurs (respondents) use cell phones and are innovatively connected through internet providers on PDAs, it is proposed that the government establish a cell phone-based helpline that uses an intelligent voice response (IVR) framework to deliver data to SHG women entrepreneurs. The hotline can be used to: 1) communicate and receive info on key government initiatives and programmes. 2) Include a second phone number to call if there are any problems, and 3) connect customers' online stages to SHG ladies. It is also recommended that each SHG women entrepreneur be assigned a fascinating character number to assist with business operations such as evaluations, authorizations, and compliance with business and government licences, among others.

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