

## A partial analysis on the Women Entrepreneurs belonging to SHGS in Salem District, Tamil Nadu (India)

G.Jayashree, Dr.I.Carmel Mercy Priya

Full-Time Research Scholar, AVS Arts And Science College, Salem

Research Supervisor ,Principal ,AVS Arts And Science College, Salem

Corresponding Author: G.Jayashree

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**Abstract:** The study is aimed to understand the mind-set of women entrepreneurs towards the investment decision. Women entrepreneurs especially under the SHG(Self-Help Group) are very active and possess good knowledge regarding the financial decisions taken in business. Majority of the women belong to low-income group families where the entire family rely on the income from her. And hence the women entrepreneurs take decisions very carefully and patiently. Since the entrepreneurs work function under a group they benefit a lot in terms of money and decisions taken in business regarding finance, business expansion, product development, investment etc., The researcher concentrated highly on the finance and investment related areas in the study. A sample of 300 SHG members was taken for the study in Salem district, Tamil Nadu.

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### I. Introduction

Today women are ably challenged to survive in the business world. Women engage in small, medium and large scale enterprises. The number of business units run by women entrepreneurs is increasing at a faster pace. This contributes for the economic growth of the economy as well. Indian Government defines woman owned business as an entity where a woman or a group of women owns at least “51% of the capital” and give 51% of generated employment to women. Women are 48% of Indian population but their participation is still below par as only 34% of Indian women are engaged in financial and economic activities, many of which are unpaid or underpaid workers. With gender-bias problems in some regions of India, women have also become victims of unemployment. This bias has proven to be advantageous to certain extent as women have taken up entrepreneurship to fill the void and prove their critics wrong.

Globalisation has paved way in supporting the entrepreneurs to engage in trading activities across the globe. Major banks and financial institutions such as EXIM, SIDBI, NABARD, IDBI, ICICI, SFC's, etc. was incorporated with a sole vision to provide financial assistance to the business people.

Apart from the banks and FI's there are a number of Venture Capitalist Firms and Angel Investors emerged in India to share the risk of entrepreneurs in new project. These institutions not only provide fund but also be a part of the business in guiding the entrepreneur in risky projects. Though India has numerous opportunities to start a business many people do not come forward to become an entrepreneur because of the term called 'risk'. Business means risks. In finance it's normally said 'higher the risk, higher the return'. It means the more the entrepreneur engage in risky projects the more he/she gains profit.

### II. Self-Help Group(SHG)

#### 2.a) Meaning

Self Help Group (SHG) is a group of 12 to 20 women of the same socio-economic background who come forward willingly to work together for their own upliftment. The unique feature of the SHG is its capability to teach its members sound habits of thrift, savings and banking.

Regular savings, periodic meetings, compulsory attendance, and organized training are the prominent features of the SHG concept. Each group selects one animator and two representatives amongst themselves. The animator is responsible for providing headship to the group and to uphold the various registers. The representatives help the animator and maintain the bank accounts of the group.

#### 2.b) The characteristic features of Self Help Groups are:

- Size of the group is small (10 to 20 members in a group).
- Undistinguishable background, mutual interest and affinity of members.
- Close and intimate understanding of member's requirements and difficulties.
- Autonomous functioning.

- Simple and easy documentation.
- Collective decision making and peer pressure in settlement.
- Consistent meetings and savings.
- Group access to external funds.
- Importance is given to the poor people especially women below poverty line.

### III. Data Analysis

The researcher has covered the areas related to their education, various reasons to become an entrepreneur, fund raising methods, investment areas, future business expansion ideas etc., Samples were collected from women entrepreneurs belonging to SHGs in different business groups such as Restaurant, Beauty Parlour, Grocery, Tailoring and Retail. A total of 300 samples were collected for the study. The data collected is tabulated as follows;

#### 3.1 Reason to become a Women Entrepreneur

Options	Restaurant	Beauty Parlour	Grocery	Tailoring	Retail
Self-Interest	3	12	9	51	54
For family better standard of living	3	3	-	12	6
Solve financial problems	6	3	24	42	60
To get engaged in something	-	-	-	-	12
Total	12	18	33	105	132

#### 3.2 Major Problems faced in business as Women Entrepreneur:

Problems	Restaurant	Beauty Parlour	Grocery	Tailoring	Retail
Labour	3	9	3	36	38
Money/Finance	6	9	24	60	76
Family Support	3	-	3	9	12
Society	-	-	3	-	6
Total	12	18	33	105	132

#### 3.3. Any plans to expand business?

Options	Restaurant	Beauty Parlour	Grocery	Tailoring	Retail
Yes	6	15	15	90	112
No	6	3	18	15	20
Total	12	18	33	105	132

#### 3.4 Name of the banks if any, borrowed under Women Entrepreneurship Scheme

Source	Restaurant	Beauty Parlour	Grocery	Tailoring	Retail
HDFC	-	2	3	6	5
Indian Bank	-	1	-	6	6
Other banks	-	-	-	3	-
SHG	-	-	-	12	7
Total	-	3	3	27	18

#### 3.5 Any borrowings from private parties for business requirements?

Options	Restaurant	Beauty Parlour	Grocery	Tailoring	Retail
Yes	6	0	21	-	36
No	6	18	12	105	96
Total	12	18	33	105	132

### IV. Findings

The major findings made from the study are as follows;

- From the study it was found that majority of women became entrepreneurs to solve their family financial problems and due to self-interest. In this 20<sup>th</sup> century women have become more independent and they are in a position to take business decisions. Women entrepreneurs also support their husband in solving complex business problems. From the above table 3.1 it is found that women entrepreneurs engage in business giving higher priority to solve their family financial problems and other half of women entrepreneurs have started business due to their self-interest in business. Women started business out of their self-interest are highly energetic and happy in running the business as compared to women engaged in other field of business. Especially in the service sector like beauty parlour and tailoring women engaged in business out of their self-interest than any other factor.

- The researcher tried to analyze the major problems faced by women entrepreneurs. It was found from the study that the maximum women entrepreneurs face the problem of labour and lack of adequate finance was their main problem. Very few women entrepreneurs face problems related to lack of family support and society problems. From the study the researcher could find that society or gender discrimination was not a major problem for these entrepreneurs. Irrespective of any business field lack of labour and finance was the major hurdle faced the women entrepreneurs.
- The researcher also made an investigation regarding the women entrepreneurs in SHGs to understand the level of interest for future business expansion. Surprisingly, majority of them i.e, 50% and above in each sector are highly interested in expanding their business. Very few entrepreneurs responded saying they have no interest to enlarge their business due to problems like lack of financial resources, family support, poor knowledge in raising fund, risk factor etc.,
- The Government of India has taken various initiatives in promoting the interest of women entrepreneurs in India. In spite of all these beneficial measures the women entrepreneurs lack the knowledge to get the benefits out of these measures. Majority of them are highly interested and capable in running business successfully but they do not possess any idea regarding the Government initiatives and bank's role in meeting the requirements of these entrepreneurs. The women entrepreneurs belonging to SHGs raise fund from their group itself. They pool the savings and the members are able to take loan against the pooled amount in the group. And by this way majority of them do not approach the banks for their financial needs.
- The researcher felt highly grateful when asked about the borrowings from private parties. Except in the field of grocery majority of the women entrepreneurs doing business in beauty parlour, tailoring, retail do not borrow from private parties at any means. The entrepreneurs running restaurant business are highly influential to borrow from private parties at a higher rate of interest.

## **V. Conclusion**

The study helps to understand the various problems faced by women entrepreneurs in terms of money, society, government etc. From the data collected it clearly shows that majority of women entrepreneurs are highly confident and interested in being an entrepreneur. And if proper financial assistance and support is provided to them from the government and family they can achieve more business goals. Various studies reveal that the women entrepreneur has contributed to a major economic growth of the country. Therefore in order to motivate them, their growing financial needs and demands a proper channel of communication has to be made. New policies have to be framed to make them an enriched source of income for their family first and latter to the economy as a whole. Various studies have proved that the future global businesses handled by women entrepreneurs would be more successful as compared to business undertakings run by men.

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