

A STUDY ON HUMAN RESOURCE MANAGEMENT WITH REFERENCE TO SELF HELP GROUP IN DHARMAPURI (DT)

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Abstract—Self Help Groups (SHGs) are small voluntary associations of poor people, mostly women, who pool their savings, lend to one another and gain access to bank credit. This study examines the role of SHGs in developing women entrepreneurs in Dharmapuri district, Tamil Nadu. Primary data were collected from 150 women members through a pre-tested questionnaire and analysed using simple percentages, the Chi-square test and weighted score (ranking) analysis. Most respondents are married (74.6%), housewives (66%) and from nuclear families (81%), and 47% are illiterate. Group training was the most common form of training (61%), and 77% of respondents are satisfied with the training programmes. Agriculture-oriented businesses were the most common (39%), and 39% of members earn Rs. 1,001–2,000 a month from their enterprises. Improvement in personal quality ranked first among the benefits of training, while dependence on higher authorities ranked first among the problems. The study recommends wider government support, legal literacy classes, rotation of group leaders and more women-friendly bank loans.

Keywords: Self Help Groups, Women Entrepreneurs, Training Programmes, Micro Finance, Dharmapuri.

INTRODUCTION

Women are an integral part of every economy, and the all-round development of a nation is possible only when women are treated as equal partners in progress. Empowerment of women is a holistic concept covering social, political and economic aspects, and of these, economic empowerment is the most important for lasting and sustainable development. To involve women in entrepreneurship, the Indian Government provides financial and non-financial assistance, and women entrepreneurs now run enterprises successfully with the support of SHGs.

What is a Self Help Group?

An SHG is a small voluntary association of poor people, preferably from the same socio-economic background, who come together to solve their common problems through self help and mutual help. The group promotes small savings, which are kept with a bank in the name of the group. Usually the membership does not exceed twenty. The SHG scheme was introduced in Tamil Nadu in 1989.

Objectives of SHGs

- To build the habit of thrift, savings and a banking culture, and to offer economic progress through credit.
- To give very poor people, who lack access to formal financial institutions, a forum for mutual support and cooperation.
- To provide a cost-effective delivery mechanism for small credit and contribute to the empowerment of poor women.
- To develop leadership, management and entrepreneurial qualities among members.

Functioning of SHGs

- Members contribute savings regularly to a common fund; the group meets periodically (usually weekly) and lends to needy members.
- Loans are decided by consensus; amounts are small, interest is low and the period is short.
- The group, with the help of an NGO, assesses members' credit needs and applies to a bank for a collective loan, which the group repays collectively.
- NGOs also help SHGs procure raw materials and market their products.

Role of NABARD

The National Bank for Agriculture and Rural Development (NABARD) has promoted SHGs as a supplementary credit channel. Its work covers SHGs and micro finance, the Rural Infrastructure Development Fund, watershed and tribal development, women's development and rural entrepreneurship programmes. Studies have found efficient flow of credit, use of loans for income-generating activities, excellent repayment and improved empowerment of members.

Statement of the problem

SHGs are a focus area for taking government policies on health, education, sanitation and entrepreneurship to the rural poor. Bank officials are being trained and efforts to link eligible SHGs to bank credit are receiving good encouragement. This study therefore analyses the role of SHGs in developing women entrepreneurs.

Review of literature

Ramanathan (1993) traced the origin of SHGs to the weakness of supervised rural credit and found that smaller groups are better managed, with loan recovery of around 90 per cent. Dasgupta (2001) concluded that the limited success of SHGs is due to the absence of a target approach, while Namboodri and Shiyani (2001) identified regular meetings and rotating leadership as their strengths. Dadhich (2001) showed that properly designed micro finance can both reduce poverty and empower women. Gupta and Gupta (2006) found that organised working of women in SHGs raised family incomes and helped repay old debts. In Tamil Nadu, Ganapathi and Murugesan (2011) studied 240 SHG members in Coimbatore and found a significant association between economic status and education, income and awareness, and Palani and Selvaraj (2012) found that members' incomes rose after joining SHGs in Tirunelveli district.

Objectives of the study

1. To understand the theoretical aspects of self help groups and women entrepreneurs.
2. To examine the organisational structure of SHGs, with its strengths and weaknesses.
3. To analyse the income, expenditure and savings pattern of SHG members.
4. To study the socio-economic background and family characteristics of the women beneficiaries.
5. To find out the problems faced by SHG members.
6. To examine the role of SHGs in promoting women entrepreneurs and suggest policy measures.

RESEARCH METHODOLOGY

Introduction

Research methodology is a way to systematically solve the research problem. It covers the research design, data collection method, sampling and the statistical tools used for analysis and interpretation.

Data Collection Method

Primary data: Data collected afresh and for the first time were gathered from women entrepreneurs in SHGs through a well designed, pre-tested questionnaire and personal interviews.

Secondary data: Secondary data were taken from official records, websites, journals, newspapers and published articles on SHGs.

Sampling and Period

Respondents were approached at random in Dharmapuri district and their responses recorded in the questionnaire. The sample size is 150 women members. The study covers a period of six months.

Statistical tools

The data were analysed using simple percentage analysis, the Chi-square test (degrees of freedom = $(R - 1)(C - 1)$, tested at the 5% level) and weighted score analysis, which ranks factors by multiplying each rank by its frequency.

DATA ANALYSIS AND INTERPRETATION

All 150 respondents are women. The socio-economic profile and the main results are summarised below.

Variable	Leading response	Share
Age group	21–30 and 31–40 years (each)	36%
Marital status	Married	74.6%
Occupation	Housewife	66%
Education	Illiterate	47%
Family type	Nuclear family	81%
Family income per month	Rs. 2,001–5,000	39%
Aware of SHGs	Yes	93%
Years of membership	6–10 years	36%
Motivation for joining	Training	49%
Type of training taken	Group training	61%
Type of business started	Agriculture	39%
Skill acquired	Bakery products	33%
Amount received from SHG	Rs. 10,001–20,000	40%
Income after joining SHG	Rs. 1,001–2,000 per month	39%
Lending bank	Central Bank	40%
Monthly savings deposit	Rs. 501–1,000	45%
Overall opinion on training	Satisfied	47%

Source: Primary data

Chi-square analysis

Relationship tested	Calculated value	Table value (5%)	Result
Age group and business started with SHG help	20.17	16.919	Significant
Education and individual development after joining	8.55	16.919	Not significant
Occupation and individual development after joining	26.34	7.815	Significant
Family income and opinion on effectiveness of training	11.64	16.919	Not significant
Occupation and opinion on effectiveness of training	2.76	7.815	Not significant
Family income and monthly savings deposit	22.56	16.919	Significant

Source: Primary data

Weighted score analysis

Factors improved by training	Score	Rank	Problems faced in SHGs	Score	Rank
Improvement in quality	527	1	Dependence on higher authorities	359	1
Improvement of creativity	516	2	Problem in monthly meeting	358	2
Self confidence	512	3	Misunderstanding among members	321	3
Work knowledge	503	4	Inadequate training programmes	308	4
Individual development	470	5	Unawareness	307	5
Skills acquired	455	6	Unqualified resource persons	281	6
Communication ability	437	7			

Source: Primary data

SUGGESTIONS

Government and support agencies

- The government should give more support to SHGs and introduce more schemes, and communicate them properly so that they reach the groups.
- NGOs should be voluntary organisations and should not use extraneous influence; they should deal with SHGs at periodic intervals.
- The government should take the initiative to increase SHG membership by spreading the idea in villages.

Group management

- A few educated or better-off women tend to dominate and are re-elected repeatedly; leadership should be shared.
- The group secretary should be rotated so that every member is exposed to banking transactions.
- Leaders should teach all members to maintain accounts and records, to avoid lopsided empowerment.

Members and banks

- Legal literacy classes should be organised, since most women are unaware of their legal rights.
- SHG bank loans should be made more women-friendly so that women's potential can be used fully.

LIMITATIONS

- The study is restricted to SHG members in Dharmapuri district only.
- The accuracy of the information depends on the respondents.
- Because of shortage of time and other constraints, the study is limited to 150 respondents selected at random.
- The study cannot be generalised, since the researcher used the personal interview method.
- Only primary data were used for the analysis.

FINDINGS

1. All respondents (100%) are women; 36% each are aged 21–30 and 31–40 years, and 74.6% are married.
2. Two-thirds (66%) are housewives, 47% are illiterate and 81% live in nuclear families.
3. The largest group (39%) has a family income of Rs. 2,001–5,000 a month, and 93% know about SHGs.
4. Training is the main motivation (49%); 61% took group training and 41% were trained by the conference method.

5. Agriculture is the most common business started with SHG help (39%), and bakery products the most common skill acquired (33%).
6. Most members (77%) are satisfied with the training programmes and 47% are satisfied overall; 53% are satisfied with the image of joining an SHG.
7. Forty per cent received Rs. 10,001–20,000 from the SHG, 39% earn Rs. 1,001–2,000 a month from their enterprise, 40% obtained loans from Central Bank, and 45% save Rs. 501–1,000 a month.
8. Age group, occupation and family income show a significant relationship with business started, individual development and savings deposit respectively; education, and occupation and family income with opinion on training, show none.
9. Improvement in personal quality (score 527) is the most valued benefit of training, and dependence on higher authorities (score 359) is the most serious problem.

CONCLUSION

SHGs play a crucial role in strengthening the rural economy and are expected to remain a major programme for poverty alleviation in India, with full participation from the formal banking system. The study shows that members are satisfied with SHG activities and that training improves their personal quality, creativity and confidence, enabling them to start businesses and earn a regular income. The problems members face, especially dependence on higher authorities and difficulties in monthly meetings, can be reduced if the recommendations are implemented. Government departments, NGOs, banks, financial institutions, entrepreneurship development centres and social workers should support the groups. By providing a savings mechanism and low-cost small credit, SHGs contribute significantly to the development of women entrepreneurs.

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