

**IMPACT OF SELF-HELP GROUPS ON THE GROWTH OF WOMEN  
ENTREPRENEURS IN MSME: AN EMPIRICAL ANALYSIS OF PERCEPTIONS AND  
OUTCOMES.**

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**Abstract**

Entrepreneurship plays a vital role in economic development, employment generation, and social empowerment, particularly among marginalized groups. This study examines the effectiveness of training strategies in Entrepreneurship Development Programs (EDPs) on entrepreneurial skill development and empowerment among Self-Help Group (SHG) members in Mumbai, Thane, and Dombivli. Using a descriptive and quantitative research design, primary data were collected from 385 SHG members through structured questionnaires and analyzed using statistical tools such as correlation, regression and ANOVA.

The study evaluates training across four dimensions reaction to training, skill acquisition, behavioral change, and training effectiveness and their impact on economic and social empowerment. Findings reveal that training strategies have a significant and positive influence on entrepreneurial skills and empowerment, with the “effect of training” emerging as the most influential factor. Results also indicate strong interrelationships among training dimensions and between economic and social empowerment. Demographic factors such as gender and age significantly influence perceptions, with female members and those aged 30–45 years reporting higher levels of empowerment.

The study concludes that well-structured and need-based training programs enhance entrepreneurial competencies, income generation, and overall quality of life. It highlights the importance of continuous, practical, and skill-oriented training to achieve sustainable entrepreneurial outcomes among SHG members.

**Keywords:** Entrepreneurship, Self-Help Groups (SHGs), Training Strategies, Empowerment, EDPs, Skill Development, SEM

**1.1 Introduction**

Entrepreneurship is a key driver of economic development, innovation, and employment generation. It involves initiating and managing business ventures by taking risks and utilizing resources effectively. Entrepreneurs are considered innovators who contribute to economic growth through new ideas and ventures.

Self-Help Groups (SHGs), supported by microfinance, play a significant role in promoting entrepreneurship among economically weaker sections. Microfinance enables SHG members to start income-generating activities and improve their livelihoods (Suprabha, 2014). SHGs have also

emerged as effective instruments for poverty alleviation and women empowerment through collective action and financial inclusion.

Government and non-governmental organizations support SHGs through Entrepreneurship Development Programs (EDPs), which focus on skill development, financial literacy, and business management. These programs aim to enhance entrepreneurial capabilities and promote self-reliance (Raposo and Paço, 2011). Additionally, large-scale initiatives such as the National Rural Livelihoods Mission (NRLM) have expanded the reach of SHGs across India (NRLM, 2020).

Despite these efforts, challenges persist in achieving sustainable entrepreneurial outcomes, particularly in translating training into practical business success.

### **1.2 Statement of the Problem**

Although SHGs and EDPs have increased significantly, their effectiveness in developing entrepreneurial skills remains limited. Many SHG members face issues such as lack of education, poor financial literacy, inadequate managerial skills, and limited market awareness.

Training programs often fail to create significant behavioral and skill-based changes among participants. This may be due to a mismatch between training content and the actual needs of entrepreneurs (Jennings and Hawley, 1996). Moreover, lack of continuous training, technological adaptation, and market exposure further restricts entrepreneurial growth.

Therefore, there is a need to examine the effectiveness of training strategies in enhancing entrepreneurial skills and empowerment among SHG members.

### **1.3 Objectives of the Study**

- To study the socio-economic profile of SHG members in Mumbai.
- To assess the perception of women enterpreure on the role self help group
- To examine the influence of demographic variables on training strategies
- To analyze the impact of training strategies on entrepreneurial skills and empowerment in Mumbai
- To assess the relationship between training strategies and empowerment in Mumbai

### **1.4 Hypotheses**

H1: There is no significant difference between male and female SHG members in their perceptions of the training strategies adopted in entrepreneurial skill development programs and towards economic and social empowerment.

H2: SHG members do not significantly differ in their perception of entrepreneurial skill development programs and economic and social empowerment based on their age group.

H3: SHG members do not significantly differ in their perception of entrepreneurial skill development programs and economic and social empowerment based on their educational qualifications.

H4: The gender of the SHG members does not have a significant association with the position held by them in the self-help group , on their business activity and their willingness to recommend other individuals to become a member of SHG.

### **1.5 Significance of the Study**

Entrepreneurship is a crucial factor in economic transformation, innovation, and job creation. Entrepreneurs contribute to improving living standards and fostering economic development. However, the success of entrepreneurial ventures depends on access to skills, training, and financial knowledge (Ali et al., 2018; Ripain et al., 2017).

Despite increased research in entrepreneurship training, many programs fail to address the actual needs of entrepreneurs, leading to limited effectiveness (Jennings and Hawley, 1996). This study is significant as it evaluates training strategies and their impact on entrepreneurial skill development and empowerment among SHG members.

### **1.7 Scope of the Study**

Mumbai, being a major financial and commercial hub, provides significant opportunities for entrepreneurship. The presence of a large number of SHGs in Maharashtra creates scope for enhancing entrepreneurial skills through effective training strategies.

This study focuses on SHG members with at least one year of association and examines the impact of training strategies on their entrepreneurial skill development and empowerment.

### **Methods.**

#### **Sample**

In the present study, a structured survey instrument was developed by adapting measurement items from previously validated studies to collect the required data. The data were collected from women entrepreneurs associated with Self-Help Groups (SHGs) across key regions of Mumbai, India. These regions included South Mumbai, Western Suburbs, Central Suburbs, Navi Mumbai, Thane, and other prominent areas to ensure adequate geographical representation.

To ensure representativeness of the sample, a proportionate stratified random sampling technique was employed, which has been widely used in prior studies (Jain & Mishra, 2020). Initially, the population of SHG-based women entrepreneurs was identified through records obtained from local SHG federations, non-governmental organizations (NGOs), and government-supported institutions involved in women entrepreneurship and microfinance initiatives. Respondents' contact details were gathered through these networks and approached via direct visits, email, and telephone.

Ethical considerations were strictly followed throughout the study. Participation was voluntary, and respondents were informed about the purpose of the research before administering the questionnaire. They were assured of the confidentiality and anonymity of their responses and were given the freedom to withdraw from the study at any point. Thus, the research adhered to established ethical standards of informed consent and data protection.

A total of 500 questionnaires were distributed, out of which 381 valid responses were obtained, resulting in a satisfactory response rate. These responses were used for subsequent statistical analysis. According to Krejcie and Morgan (1970), a minimum sample size of 384 is recommended for generalization; the present study closely meets this criterion ( $381 \approx 384$ ). Furthermore, based on the guidelines of Comrey and Lee (1992), the sample size can be considered good (100 = poor, 200 = acceptable, 300 = good, 500 = very good, and 1000 or more = excellent).

Additionally, sample size adequacy was confirmed using G\*Power analysis, which indicated that a minimum sample of 146 is sufficient for an effect size of 0.15, with  $\alpha = 0.05$  and power  $(1-\beta) = 0.95$ , considering multiple variables. The achieved sample size thus satisfies this requirement.

Finally, non-response bias was assessed by comparing early and late respondents (first fifty and last fifty responses), and no statistically significant differences were found, indicating that non-response bias is not a concern in this study

### **Measurement and Instrumentation**

The survey instrument was carefully designed based on existing literature and validated scales where applicable. Prior to final data collection, a pilot study was conducted to ensure clarity, reliability, and validity of the instrument. Necessary modifications were incorporated based on feedback.

### **3.5 Data Analysis Techniques**

Data analysis was conducted using appropriate statistical tools to ensure robustness and validity of findings. The following techniques were employed:

- **Descriptive Statistics:** To summarize demographic characteristics and key variables (Saunders et al., 2012).
- **Inferential Statistics:**
  - **Chi-square test** to examine associations between categorical variables
  - **Independent sample t-test** to compare group means
  - **Analysis of Variance (ANOVA)** to assess differences across multiple groups
- **Correlation Analysis:** To determine the strength and direction of relationships among variables
- **Regression Analysis:** To examine the impact of independent variables on dependent variables

Further, **Structural Equation Modelling (SEM)** was employed to test the proposed conceptual framework and examine complex relationships among latent constructs. SEM allows simultaneous estimation of multiple relationships and provides a comprehensive understanding of direct and indirect effects (Byrne, 2001).

### **3.6 Reliability and Validity**

To ensure the rigor of the study, reliability and validity tests were conducted. Internal consistency was assessed using Cronbach's alpha, while construct validity was evaluated through confirmatory factor analysis within the SEM framework.

### **Review of Literature**

Entrepreneurship is widely recognized as a key driver of economic growth, employment, and innovation (Global Entrepreneurship Monitor; Ahmad & Hoffmann, 2008). Prior studies emphasize the critical role of training and development programs in enhancing entrepreneurial skills, particularly among women and small business owners.

Empirical evidence suggests that structured training programs significantly improve entrepreneurial competencies, business performance, and self-employment intentions (Premalatha, 2010; Ken Bauer, 2011; Peter et al., 2013; Mayuran, 2016). Training in areas such as financial

management, marketing, and innovation has been identified as essential for business sustainability and growth (Rosnani Jusoh et al., 2011; Caroline & James, 2013). However, gaps persist in strategic and advanced managerial skills, limiting long-term enterprise development (Caroline & James, 2013).

Entrepreneurship education also positively influences entrepreneurial intentions, self-efficacy, and behavior, particularly among students and youth (José, 2013; Boukamcha, 2015; Ho et al., 2018). Studies further highlight the importance of contextual and experiential learning approaches, continuous monitoring, and access to financial resources for effective skill application (Cloete et al., 2012; Peter et al., 2013).

Research focusing on women entrepreneurs reveals that training and skill development programs contribute significantly to economic and social empowerment, though challenges such as lack of access to credit, education, and societal support remain (Lourenço et al., 2014; Rauth Bhardwaj, 2014; Chitra et al., 2018). Self-Help Groups (SHGs) and micro-enterprise initiatives have been particularly effective in enhancing women's decision-making power, income, and social status (Sanchita Garai et al., 2012; Ajay Sharma et al., 2012; Mareswara Rao, 2016).

Furthermore, entrepreneurship is increasingly viewed not only as an economic activity but also as a tool for social empowerment and community development (Haugh & Talwar, 2016; Ali & Cook, 2020). Skill development, education, and institutional support are identified as crucial enablers of entrepreneurial success and empowerment (Fardin Vakili et al., 2016; Anjali Vyas, 2018).

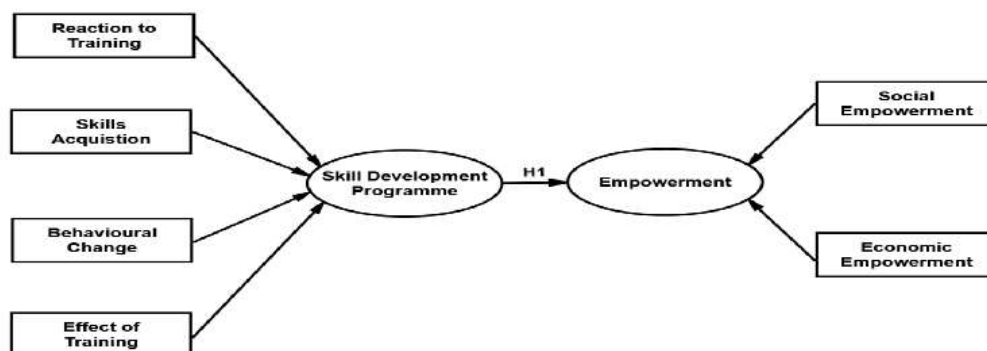
Despite extensive research, gaps remain in understanding long-term impacts, contextual variations, and the effectiveness of different training methodologies, indicating the need for more comprehensive and outcome-based studies (Ghulam Nabi et al., 2017; Galvao et al., 2018).

### **Conceptual Framework**

A conceptual framework helps in understanding the researcher's approach to the study and is developed based on theoretical foundations, concepts, and empirical findings from earlier research. Entrepreneurship plays a significant role in economic and socio-economic development, particularly through skill development and training programmes that enhance entrepreneurial competencies and personality traits.

The present study is based on a conceptual model consisting of two major constructs: skill development training programmes and empowerment. The training programme is measured through four dimensions—reaction to training, skill acquisition, behavioural change, and effect of training—while empowerment is measured through two dimensions, namely social empowerment and economic empowerment.

### Conceptual Model Framework



Source: Conceptualized Data

Self-Help Groups (SHGs) play an important role in promoting entrepreneurship and economic independence, especially among marginalized groups. The SHG concept originated with micro-credit initiatives such as the Grameen model and has been widely used as a tool for poverty alleviation, skill development, and self-employment generation. SHGs function as informal, voluntary groups that promote savings, access to credit, and collective development among members.

Training is considered a key mechanism for improving entrepreneurial capabilities. Training programmes such as REDP and MEDP aim to enhance technical and managerial skills, promote self-employment, and strengthen the capacity of SHG members to establish micro-enterprises. These programmes focus on both skill development and behavioural transformation, which ultimately contributes to economic and social empowerment.

Entrepreneurship in this study is viewed as a process of combining resources, taking risks, and creating new opportunities, while empowerment refers to the improvement in income, decision-making power, self-confidence, and social status of SHG members.

#### Data Analysis

This chapter presents the analysis of primary data using descriptive and inferential statistical tools to achieve the study objectives. Descriptive statistics such as frequency analysis, measures of central tendency, dispersion, and position are employed to examine the demographic and socio-economic profile of Self Help Group (SHG) members, while inferential tools are used to generalize findings to the population.

The demographic analysis reveals that the majority of respondents are female (63%), indicating strong female participation in SHGs. Most members fall within the age group of 30–45 years (53.5%), suggesting active economic engagement during this life stage. A significant proportion (63.1%) are married, and education levels vary, with the largest group (41.9%) having completed secondary education. Income analysis shows that most respondents (46.5%) earn between ₹8,001 and ₹16,000 per month.

Family and social characteristics indicate that 85.2% belong to nuclear families, and a majority have one or two children. Most respondents (44.8%) have two dependents. In terms of occupation, SHG members are primarily engaged in agriculture (32.9%) and poultry farming (22.2%), followed by small-scale activities such as handicrafts and food processing.

Regarding SHG structure, most groups consist of up to 10 members, with the majority being ordinary or active members. A significant proportion (55.1%) have been associated with SHGs for 3–5 years. All respondents reported participation in Entrepreneurship Development Programs (EDPs), mainly organized by agencies such as NRLM (39.6%) and NABARD (28.8%). Most programs last between one day and one week.

Training motivations include SHG-provided training (41%) and personal skills (24.8%). A majority have attended at least two EDPs (43.1%). Technical training (33%) and soft skills (25.4%) are the most desired areas for development. High willingness to recommend EDPs (96.2%) and SHG membership (95.6%) reflects positive perceptions.

Financial inclusion is strong, with 94.5% having bank accounts. Most respondents reported economic (95.6%) and social empowerment (90.8%) through SHG participation. Additionally, 79.9% indicated improved gender equality within households.

Descriptive analysis of training outcomes shows positive perceptions across all dimensions. Mean scores for reaction to training (3.52–3.79), skill acquisition (3.55–4.01), behavioural change (3.67–3.95), and training effectiveness (3.67–4.06) indicate favorable responses with low variability. Respondents reported improved confidence, leadership, resource management, and adaptability. Economic empowerment outcomes include increased income, asset ownership, and financial decision-making ability, while social empowerment is reflected in improved family contribution, social recognition, and confidence.

Overall, training strategies in EDPs are perceived positively (mean range: 3.65–3.81), contributing significantly to both economic and social empowerment (mean range: 3.78–3.81). The findings confirm that SHGs and EDPs play a crucial role in enhancing entrepreneurial skills, income generation, and overall quality of life among members.

### **Result and discussion**

The empirical analysis confirms that training strategies in Entrepreneurship Development Programs (EDPs) have a significant and positive impact on the economic and social empowerment of Self Help Group (SHG) members. The Structural Equation Model (SEM) results indicate that all measured variables exhibit strong factor loadings ( $>0.7$ ), and the relationships between training dimensions and empowerment are positive and significant at the 1% level .

Correlation analysis further reveals a strong interrelationship among training dimensions—reaction to training, skill acquisition, behavioural change, and effect of training—with all relationships significant at the 1% level . Among these, the “effect of training” shows the highest influence (50.9%), followed by behavioural change (45.2%) and skill acquisition (41.9%) .

Similarly, a significant positive interrelationship exists between economic and social empowerment, with economic empowerment demonstrating a stronger influence (47.6%) compared to social empowerment (37.7%) . Regression results also confirm that the “effect of

training” is the most influential predictor of empowerment, indicating that the application of acquired skills significantly enhances income, business performance, and overall livelihood.

Inferential statistical tests further support these findings. Chi-square analysis shows a significant association between members’ position in SHGs and their economic and social empowerment ( $p < 0.01$ ), with the majority of conveners reporting higher levels of empowerment. Additionally, gender-based analysis indicates that female SHG members perceive higher levels of economic and social empowerment compared to male members, with statistically significant differences at the 1% level .

ANOVA results reveal that age significantly influences perceptions of training effectiveness and empowerment, with members aged 30–45 years reporting the highest satisfaction and empowerment levels .

Overall, the findings establish that well-designed EDP training strategies significantly enhance entrepreneurial competencies and contribute to improved socio-economic status among SHG members. These results align with prior research emphasizing the role of entrepreneurship training in fostering empowerment and economic development (Raposo and Paço, 2011) .

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