



## SWOT of SHG: A Micro Level Study

*Dr. C.Satapathy<sup>1</sup>, Swasat Satapathy<sup>2</sup>*

(Director Amity Humanty Foundation Bhubaneswar and Scholar of Agri Business Utkal University)

### ABSTRACT :

The Self Help Group now has become excellent instrument to change socio-economic condition of rural women. SHG in Odisha has been able to empower rural women and its number has reached as many as 538327. To foster the activities of SHGs there is need to examine strength, weakness, opportunity and threats. The present study was conducted in Odisha with a sample of 250 SHGs drawn from four blocks of Balasore district of Odisha. The analysis reveals that threats of SHGs are more compared to strength, weakness and opportunities. The entrepreneurial trains with members of SHGs are also not much encouraging. The study suggest digital marketing, skill training, linking SHGs to local cooperatives and creating avenues for sale of the product can make SHGs sustainable with respect of income and empowerment also.

**Key Words** Self Help Group, Entrepreneurship, Strength Weakness, Opportunity, Threat, Snow ball Technique, Personal interview

### Introduction:

Self Help Groups are formal association of people who come together to find ways to improve their living condition. They are generally self controlled and peer controlled.

People of similar economic and social back ground associate generally with the help of NGO or government agency and try to resolve their issues and improve their living condition.

Organ and Development of Self Help Groups in brief

The synthesis of available literatures reveals six distinct phases to explain how SHGs came to exist and gradually spread over the country

1. The origin of SHG in India can be traced back to the establishment of the Self-Employed Women's Association (SEWA) in 1972.
2. Even, before there were small efforts at self-organizing, for example in 1954, The Textile Labour Association (TLA) of Ahmadabad formed it's women wing in order to train the women belonging to families of mill workers in skill such as sewing, knitting etc.
3. Ela Bhatta, who formed SEWA organized poor and self employed women workers such as weavers, potters, hawkers and others in the unorganized sector, with objective of enhancing their income<sup>4</sup>
4. NABARD in 1992, formed SHG bank linkage Project which is today the world's largest microfinance project.
5. From 1993 onwards NABARD, alongwith the Reserve Bank of India allowed SHG to open saving bank accounts in the banks
6. 6. The Swarn Jayanti Gram, Swarozgar Yojana was introduced in 1999 by GOI with the intension of promoting self-employment in rural areas through formation and skilling of such groups. This evolved into National Rural Livelihood Mission (NRLM) in 2011.

Every Self Help Group usually passes through the stages like formation of group, formation of capital, development of required skills to boost income generation for the group.

The various types of Self Help Groups in our country are promoted by NGO, Government, banks, and micro finance agenesis and social leaders. Now SHGs have federation and bank linkage throughout the country. Many social scientism view SHG as means of transforming social and economic status of women irrespective of caste, class and locations.

The major functions of SHGs are to build up functional capacity, generation of income, providing employment at home level, dealing with collateral credit facilities, resolve group conflict, meeting credit needs and encourage habit of saving.

### Objectives of the study

1. To find out present status of SHGs in the state of Odisha in relation operation and activities.
2. To reexamine Strength, Weakness, Opportunity and Threat associated with SHGs
3. To measure gap in entrepreneurship behaviour of the SHG samples under study and suggest means and way to bridge the gap if any.

## Review of Literature

1. Prasad Rao and Radhika ( 2011) in their research ‘Sanction and Disbursement of loan to Self Help Group at Hyderabad’ observed that SHG has helped poverty stricken poor women to build up social and human capital to work towards poverty alleviation. Their observation indicates that micro financed has been instrumental for women development in the area under study.
2. Bidnur V.V. (2012) studied about “Role Self Help Group in Women’s life with reference to Sangali Miraj and Kuward corporation area”. The findings reveal the impact of the SHG on poverty reduction and also the key factors that can contribute to their improved functioning. The authors argue that no doubt the SHG movement in India has been working in the right direction but it is necessary to empower more and more women in social, cultural, economic and political fields along with legal matters for the interest of the family in particular the nation in general.
3. Suja,S.( 2012) in his paper “ Women Empowerment through Self Help Group” stated all the indicators of women development. He analyzed that the attitude of sample women towards women empowerment. He concluded that significant improvement have occurred in their economic condition like assets, personal income, saving, loan and family income. He found a significant relationship between attitude and achievement.
4. Das, S.K. (2012) in his paper “ Best Practices of Self Help Groups and Women Empowerment” revealed that SHG has positive impact on the members in moving towards empowerment. His observation is that main problems of SHGs are delay in loan sanction, marketing of produce, infrastructure, training and skill development.
5. Geetanjali R and Pravakar,K ( 2013) studied economic development of women through SHG in YSR district of Andhra Pradesh. Results of their study reveal that remarkable changes have occurred after formation of SHGs in respect of entrepreneurship, economic empowerment and social movement. Their conclusions are that participation of women in SHGs has created tremendous impact on their life style. The poor families are now well up and realize the benefits of SHGs.
6. Thangamani,S.and Muthuselvi ( 2013) in their research, “A study on women empowerment through Self Help Group with special reference in Mettupalayam Taluka in Coimbatore” indicated that the women empowerment is a process in which women challenge the existing norms and culture to effectively promote their wellbeing. Their participation in SHG made significant change in their economic as well social condition.
7. 7.Rajendran,M.S. Willum,T.A. Raja,V.D. ( 2013) in their research “ Micro finance and empowerment of women through SHG in Kanyakumari district” revealed that micro finance and empowerment are positively correlated. The SHG helps in building self –reliant and self dependent because of various motivational programs organized by SHGs.

## Methodology

The study was conducted in the district of Baleshwar in Odisha which occupies 3634 sq.KM representing 2.33% of the state’s geographical area. It shares 4.43% of the population in the state. The district Baleshwar contains 12 blocks covering 289 panchayats with enormous natural resources being situated at the bank of Bay of Bengal. Out of 31268 SHGs in the district 250 SHGs were selected from four blocks, namely Baliapal, Nilagiri Basta and Jaleswar adopting snow ball techniques. The interview with respondent was conducted by means of a structured schedule containing both open and closed ended questions. The interview with SHG members provided valuable information which formed main part of the study report. The statistical analysis was limited to percentage and score analysis. The gap analysis with use of scale points like very much ,much and little with assigned score of 4, 3, 2 and 1 were processed with respect of strength, weakness, opportunity and threat along with entrepreneur behaviour of the sample respondents.

## Result

### 1. Present status of SHGs in Odisha:

The SHGs are gradually becoming instrumental in bringing Social change in rural areas of the state. The rural women have exhibited positive interest to join and organize SHGs. The table given below reveals district wise active SHGs to provide an insight to the growing trend of SHG

**Table 1. Present status of SHGs in Odisha**

Sl.No	District	Total SHGs	% of the total
1.	Jharsuguda	5569	1.63
2.	Deogarh	5793	1.08
3.	Boudh	6794	1.26
4.	Subarn pur	7923	1.47
5.	Malkangiri	8509	1.58
6.	Gajapati	6625	1.64
7.	Nuapada	9533	1.77
8.	Sambalpur	11639	2.16
9.	Nabarangpur	12188	2.26
10.	Rayagada	12291	2.28
11.	Kandhamal	12839	2.39
12.	Nayagarh	15129	2.81
13.	Bargarh	16181	3.01
14.	Dhenkanal	16315	3.28

15.	Koraput	17658	2.28
16.	Jagatsingh pur	18663	3.47
17.	Khorda	18796	3.49
18.	Bhadrakh	19820	3.68
19.	Kendrapara	20552	3.82
20.	Kalahanfi	20900	3.88
21.	Angul	21640	4.02
22.	Balangir	21617	4.05
23.	Sundar garh	23593	4.38
24.	Keonjhar	24039	4.47
25.	Puri	25849	4.80
26.	Jajpur	26068	4.84
27.	Cuttack	29743	5.53
28.	Balasore	31268	5.81
29.	Ganjam	32434	6.03
30.	Mayurbhanj	39953	6.69
	Total	538327	100.00

As shown in table altogether 538327 SHGs are in operation in the state. The district Mayurbhanj tops the list so far as number of SHGs is concerned followed by Balasore Cuttack and Jajpur. The minimum number of SHGs are found in the district of Jharsuguda next to Deogarh, Boudh and Sambalpur district. The trend shows the increase of SHGs in all the thirty districts of the state

2. **The SWOT analysis:** A SWOT analysis is a strategic planning tool that helps identifying an organization's strength, weakness, opportunity and threat. It can be used to evaluate a business competitive position or to assess a new project, initiative or campaign. SWOT analysis assesses internal and external factors as well as current and future potential. It is designed to facilitate a realistic fact based data driven look at the strength and weakness of an organization, initiative or within industry.

(1). **Strength:** Strength in SWOT refers to internal initiatives that are performing well. It helps to understand present working status. Based on the strength different programs for SHGs can be planned successfully. The strength of SHG was measured on a four point scale consisting items like very much, much, manageable and little with assigned scores of 4 3 2 and 1. The analysis of collected data is presented in table

**Table 2. Strength of the sample SHGs (N=250)**

Sl.No.	Statements	Average Score	Rank
1.	Homogeneity among the members	2.69	II
2.	Efficiency of leadership	1.78	ix
3.	Relationship with outside agencies	1.99	VII
4.	Bank loan facilities	2.32	IV
5.	Demandable Market	1.73	X
6.	Autonomous in decision making	2.14	V
7.	Training Provision	2.00	VI
8.	Availability of inputs	2.40	III
9.	Technical support	1.84	VIII
10.	Family support	2.76	I

As stated in table family support of the members is the biggest factor to come forward and join in formation of SHGs. The factors like homogeneity among the members, availability of working inputs, bank loan facilities and autonomous in decision making were in order to create confidence in the mind of members. The factors like demandable market, efficiency of leadership, technical support and relation with outside agencies were found to be comparatively less important in consideration of strength of the SHGs covered under investigation.

(2) **Weakness** are the internal factors within an organization's control that detract from the organization's ability to attain the desired goal. The weakness of SHGs is multidimensional. These may be social, economic, situational and environmental in nature. The weakness of the sample SHGs on scale analysis are presented herewith.

**Table 3 Weakness of the sample SHGs (N=250)**

Sl.No.	Statements	Average Score	Rank
1.	Insufficient credit	1.72	X
2.	Flexible market price	2.30	III
3.	Absence of marketing net work	2.12	V
4.	High cost of inputs	1.94	VIII
5.	Inadequate technical support	1.85	IX
6.	Low risk bearing capacity	2.32	II
7.	Occasional group conflict	1.96	VII
8.	Lack of infrastructure	2.52	I
9.	Demand for unproductive loan by members	2.24	IV
10.	Climatic hazards	2.06	VI

The sample SHGs suffer from weakness in respect of lack of infrastructure, low risk bearing capacity of the members, flexible market price of their produce, demand for unproductive loan of the members and absence of marketing network. The other constraints are found to be climatic hazards, group conflict, high cost of production inputs and inadequate technical support. The least affecting weakness was found to be insufficient credit facilities. The observed weakness of SHGs can be tackled with management skill. AS explained the major weakness could be tackled with better managerial skills.

(3). Opportunities: In a SWOT analysis the opportunities are external factors that can help improve a business and give it a competitive edge. Opportunities in SWOT result from existing strength and weakness along with any external initiatives that will put in a stronger competitive position. These could be analyzed from weakness that we would like to improve or areas that were not identified in the first two phases of analysis.

**Table 4 Perceived Opportunities of the sample SHGs (250)**

Sl.No.	Statements	Average Score	Rank
1.	Availability of profitable Technology	2.02	V
2.	Technical support and supervision	1.68	X
3.	Govt. Support	2.25	IV
4.	Community Support	2.00	VI
5.	Scope for skill development training	1.91	VII
6.	Creation of SHG Federation	1.84	VIII
7.	Connection with digital marketing	1.82	IX
8.	Linking with local cooperatives	2.36	II
9.	Operation of buyback system	2.56	I
10.	State and District level exhibition to sell produce	2.28	III

The members of SHGs are in search of better opportunities to expand their business activities. The investigation found out that operation of buy back system, linking with local cooperatives, regular district and state level exhibitions to sell their produce, continued Govt. support, availability of profitable technologies and the community support are their opportunities to look forward. The other opportunities mentioned were scope for skill development, creation of district level federation, digital marketing and technical supervision. According to sample respondents, these opportunities would increase SHG activities for profit in sustainable manner.

(4). Threat: The sustainability of SHG activities is subject to favourable environment including social and economic factors. The threat as expressed by sample members were measured on four point scale and the results so obtained given in table below

**Table 5. Threat of Sample SHG (N=250)**

Sl.No.	Statements	Average Score	Rank
1.	Unfavourable climate	2.23	VI
2.	Frequent change in choice of customers	2.52	I
3.	Market instability	1.96	VII
4.	Increasing cost of inputs	2.31	V
5.	No legal stand of produce	2.36	III
6.	Breaking of unity	1.64	X
7.	Lack of well defined plan	2.32	IV
8.	High bank loan interest	1.76	IX
9.	High Competition	2.64	II
10.	Quality of product	1.82	VIII

The threats or challenges of SHGs are many. The most important threats as revealed is change of choice of the customers for their products followed by high competition, lack of legal stand or brand of the product, lack of well defined plan, increasing cost of inputs and unfavourable climate. The other threats were mentioned were market flexibility, low quality product, high rate of bank interest and group conflict leading to breaking of units.

.Summarizing the strength, weakness, opportunities and threat the following trends were revealed

**Table 6. Summary Table**

Sl.No.	SWOT Component	Average Score	Mean	Rank
1.	Strength	2.14		II
2.	Weakness	2.10		III
3.	Opportunity	2.07		IV
4.	Threat	2.15		I

As observed in analysis threats is at higher degree compared to strength, weakness and opportunities. The study suggest for measures to reduce threats that the SHGs are facing to expand their business and over all activities.

3. Gap in entrepreneurship behavior. Entrepreneurial behaviour refers to the way entrepreneurs act and think. It involves taking initiative

calculated risk taking and innovating to create value. Entrepreneurial behaviour entails the identification of opportunities and the proactive implementation of innovative ideas. The response of the respondents were recorded on four point scale with appropriate assigned scores and analyzed out comes as reflected in table.

**Table 7. Possession of entrepreneurship traits (N=250)**

Sl.No.	Statement	Average Score	Gap(%)	Rank
1.	Initiativeness	2.21	44.75	II
2.	Seeking for opportunity	2.32	42.00	V
3.	Information seeking habit	2.39	40.25	VII
4.	Quality consciousness	2.10	47.50	I
5.	Commitment	2.50	37.50	X
6.	Efficiency seeker	2.88	28.00	XIII
7.	Proper planning	2.48	38.00	IX
8.	Problem solving skill	2.28	43.00	IV
9.	Self Confidence	2.45	38.25	VIII
10.	Assertiveness	2.52	37.00	XI
11.	Persuasiveness	2.58	35.50	XII
12.	Effective monitoring	2.22	44.45	III
13.	Persistency	2.36	39.75	VI.
	Mean Average	2.41	39.75	-

The possession n of entrepreneurial traits were studied on 13 dimensions on the basis of review of literature. The gap in entrepreneurship was found on an average 39.75% indicating members were well equipped with the traits up to 60%. The more deficit areas were found to be in respect of quality consciousness followed by initiativeness, effective monitoring, skill of problem solving, and lack of look for opportunity. The other traits in order were found to be persistency, seeking for information, self confidence, and proper planning. The least gap was noticed in case of efficiency seeking, next to persuasiveness, assertiveness and commitment. On the whole it is concluded that members of SHGs are lack with many of the desirable traits varying from 28% as high as 47.50%.

## Conclusion:

1. The study on 'SWOT of SHGs : A micro-level study' conducted in Balasore district of Odisha with a sample of 250 SHG members drawn from four blocks namely, Baliapal, Basta Nilagiri, Jaleswar lead to arrive at the following conclusions.
2. The state of Odisha is witnessing rapid increase in number of SHGs which has reached now 538327 in number. Highest number of SHGs are found in the district of Mayurbhanj and lowest in Jharsuguda.
3. Family support, homogeneity in group, availability of raw materials, bank credit and autonomous In decision making are the major strength of surveyed SHGs.
4. Lack of infrastructure, low risk bearing capacity of members, flexible market price, demand for unproductive loan by the members and absence of macerating network are the major weakness of the SHGs.
5. The SHG members realize that buy back system, linkage with cooperatives, state and district level exhibitions to sell products, Govt.support and availability of profitable technologies would be good opportunities for the SHGs to move towards goal.
6. The major perceived threats are frequent change in choice of the customers. High competition, lack of product brand, and absence of well planned projects and rising cost of inputs.
7. In SWOT analysis the threat is found to be more compared to strength, weakness and opportunities.
8. The gap in entrepreneurial traits are more pronounced in case of quality consciousness followed by initiativeness, skill of monitoring, problem solving skill and lack of outlook for better opportunities, seeking for profitable technology and self-confidence to be entrepreneurs..

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