

## An Empirical Study on Women Entrepreneurship Development Model through SHG in Odisha

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**Cite this paper as:** Pravati Bhoi, Dindayal Swain, Bhagirathi Nayak, (2025) An Empirical Study on Women Entrepreneurship Development Model through SHG in Odisha. *Advances in Consumer Research*, 2 (4), 2730-2739

### KEYWORDS

SHGs, Social and Economic Environment, Market Linkage, Women Entrepreneurs.

### ABSTRACT

The term "Social entrepreneurship" describes the practice of using opportunity and resources to solve social issues. Social entrepreneurs emphasise changing the structures and behaviours supporting poverty, marginalisation, environmental deterioration, and the resulting loss of human integrity to fight these problems. Though in both situations their main goal is to attain long-lasting systematic transformation, they accomplish this by starting businesses that are either for-profit or non-profit. Self-Help Group (SHG) is one approach aiming to foster social entrepreneurship in rural regions. SHGs support social entrepreneurs in overcoming challenges and motivate their members. SHG is essential for poor women to reach a steady living. It has been gradually shown to be among the most efficient means of reducing rural Indian poverty. Therefore, there is no doubt that SHG offer a platform for the advancement of social entrepreneurs. SHGs, therefore, surely act as a forum for the promotion of social entrepreneurs. In this context, the study has tried to look at the factors driving women in selected districts of Odisha to join SHGs as a kind of social entrepreneurship. Statistical analysis has been utilised to analyse the influencing variables driving women's entrepreneurship development through SHG. The study focused on three major components are "Social Environment", "Economic Environment", and "Market Linkage", to drive women's involvement through SHG for the development of women's entrepreneurship.

## 1. INTRODUCTION

Self-help groups (SHGs) have been recognised as a powerful tool for the socio-economic empowerment of women, particularly in rural areas. In Odisha, SHGs have played a crucial role in promoting women entrepreneurs, enabling women to access credit, engage in income-generating activities, and develop entrepreneurial skills. Despite these successes, significant research gaps remain that need to be addressed to fully understand and enhance the impact of SHGs on women entrepreneur development in the region. Women can break out of traditionally male-dominated fields and start their own companies in agro-based industries, textiles, food processing, and handicrafts through these programs.

SHGs are crucial because they help women develop their entrepreneurial skills, gain access to microfinance, and build their business networks. Women business owners gain self-assurance as SHG members raise their financial literacy, negotiation skills, and willingness to take calculated risks. Women who participate in SHGs are more likely to spend their hard-earned money on improving their health, their children's education, and the society at large, which in turn stimulates economic growth.

Women are unable to take full advantage of commercial opportunities due to the burden of cultural and household duties. The purpose of this study is to assess the efficacy of Odisha's social environment, economic environment and market linkage programs and SHGs in fostering the development of female entrepreneurs. To determine how this program works together to empower women economically, keep the economy viable, and foster skill development, etc. A thorough understanding of these fundamentals is necessary for the effective advancement of women entrepreneur's growth in Odisha and elsewhere.



## 2. LITERATURE REVIEW

Sharma et al. (2018) described in their research that, in a country like India, women entrepreneurs have the power to encourage social and economic development. They faced several difficulties, especially in product marketing and financing. Specifically, rural women's entry into microbusinesses will be promoted and exacerbated, affecting SHG viability. Through effective and proficient entrepreneurship, rural women can achieve remarkable feats. Rural women possess the basic indigenous skills, resources, potential, and knowledge to start and run businesses. At the moment, what is needed is drive, technical talent, awareness of government assistance programs, certification processes for various funding institutions, knowledge of loan accessibility, and support from family, the government, and other organisations. Women entrepreneurs could also be linked to academic institutions' entrepreneurial expansion cells and sizable industrial units to pool resources and get more assistance. There are several chances to assist prosperous small enterprises managed by women, and every attempt should be made to establish this entrepreneurial incubator (Menon & Vanithamani, 2012). Sebastian (2021), in his research, noted that even with the rise of new investment alternatives, women entrepreneurs continue to choose safe bank accounts. Expert investment marketing that takes into account consumer awareness, offers a steady return and increased value to everybody and involves sincere attempts to include the bringing the nation's undeveloped industries into line with economic expansion.

A study on the influence of socioeconomic factors on women entrepreneur's investment behaviour was carried out by Chaturvedi and Joshi (2019). According to the study, demographic factors like age, marital status, education, and monthly income, for instance, have little to no bearing on how risky women believe they are. Despite the rise of new investment alternatives, women entrepreneurs continue to choose safe bank accounts, according to a survey by Sebastian (2021). Professional investment marketing that takes into account consumer awareness, offers a steady return and increased value to everybody, and involves sincere attempts to include the nation's undeveloped sectors into the mainstream of economic expansion. The purpose of SHGs for the empowerment of rural women has not yet been entirely accomplished. Additional attempts to change group features and realign group aims can help the SHGs succeed in making rural women a more influential element of society.

Minimol (2020) highlighted how rural women have been labelled as subprime and shut out of the mainstream banking system due to their insufficient collateral and creditworthiness. Kumaran, (2002) expressed that Self-help groups try to promote social entrepreneurship in several ways. An extremely creative way to address and overcome the problems of income and employment in rural India is the concept of funding through Self-Help Groups (SHGs). According to Galab and Rao (2003), SHGs are a way for the underprivileged segments of society to access official financial services with minimal formality and at a very low cost. People have seen SHG as a way to save and get money (Dogra, 2002). The Indian government is doing many things to improve women's status and their financial circumstances. The Self-Help Group (SHG) is a successful program that helps women improve their lives. SHG helps disadvantaged women live in a way that is beneficial for the environment by helping rural women create their own companies (Suja, 2012).

### 2.1 Research Gap:

- There is a need for more empirical research to evaluate the women's entrepreneurship development through SHG.
- There is a significant gap in understanding how digital tools and platforms can be leveraged to enhance the productivity and market reach of women entrepreneurs in Odisha.
- There are research gaps that are crucial for designing more effective interventions and policies to support women entrepreneur development through SHGs in Odisha.

## 3. WOMEN IN ENTREPRENEURSHIP

When women take the initiative to start their businesses, it boosts the economy and gives people more agency. Women spur significant economic growth, new job opportunities, and innovative market solutions through their rise to entrepreneurship. Organisations on a global scale, including governmental bodies, financial institutions, and social groups, collaborate to support women entrepreneurs in their pursuit of inclusive and sustainable development. Businesses run by women have a multiplier effect on national economies because they create jobs and raise living standards. Stronger economic resistance and stronger GDP expansion are the results of more women entrepreneurs, according to the research (Minniti & Naudé, 2010). By launching textile companies, service ventures, food processing operations, and businesses specialising in handicrafts and food, women entrepreneurs not only become self-employed but also generate employment prospects for others. To reap the benefits of their businesses without leaving the areas they serve, women entrepreneurs often focus on community-based sectors. As a whole, women entrepreneurs work to improve healthcare and education for all, as well as find long-term solutions to environmental issues. In their pursuit of economic independence, many women have founded enterprises that have made social and environmental justice their top priorities. As a means of both generating income and protecting the environment, women entrepreneurs in rural India have begun selling organic produce, sustainable clothing, and other eco-friendly goods. It is common practice for women-run companies and non-profits to help underprivileged areas by providing vocational training, microfinance, and educational opportunities.



#### 4. METHODOLOGY

In rural areas, particularly in Odisha, self-help groups (SHGs) are an effective means of empowering women economically and socially. By providing women with access to loans, opportunities to earn an income, and training in business acumen, SHGs have been instrumental in fostering an entrepreneurial spirit among the state's female residents. Despite these achievements, numerous unanswered questions remain regarding how SHGs in rural Odisha could assist women in becoming entrepreneurs and contribute to their development.

The following conceptual model is developed for the growth of women entrepreneurs in Odisha through SHGs, according to the research gap. It can examine the effects of three major criteria that can be developed for women entrepreneurs. The three primary concerns inform the development of the conceptual model. The empowerment and leadership, social mobility, improved awareness and reduction in gender disparity are under the criteria of the Social Environment (SE). Income generation, access to credit, saving habits, and asset ownership are under the Economic Environment (EE). Access to Markets, linkages with financial organisations, profitability, and product diversification are under Market Linkage (ML). The goal of this theoretical framework is to quantify the influence of each component that contributes to the growth of women entrepreneurs. All of these elements have direct effects on the above-mentioned criteria to develop women entrepreneurs. To test the hypothesis regarding the effects of these concerns on women's entrepreneurial development.

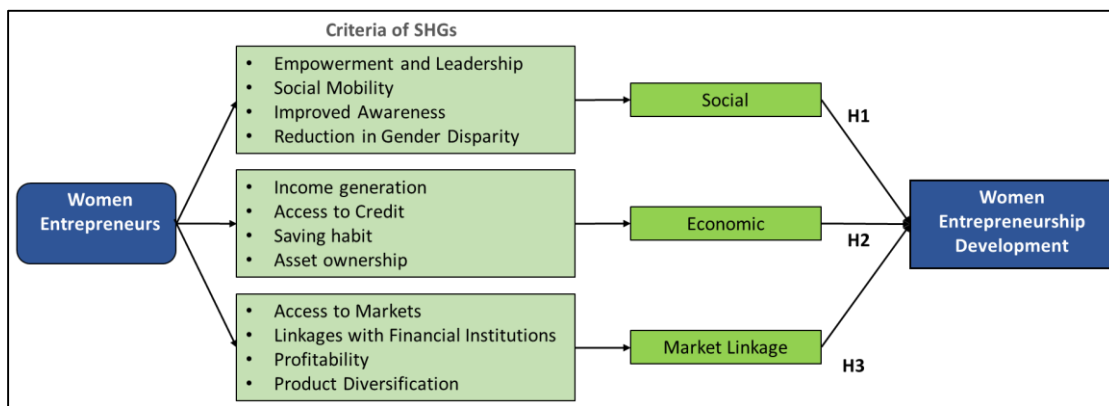


Figure 1: Conceptual model of women's entrepreneurship development

##### 4.1 Objective:

- To explore the development of Women Entrepreneurs through SHGs in Odisha.
- To identify the factors of Women Entrepreneurs Development through SHGs in Odisha.
- To analyse the impact of interventions on Women Entrepreneurs through SHGs in Odisha.

##### 4.2 Hypotheses:

**H1<sub>0</sub>:** There is no significant impact of the social environment on women's entrepreneurship Development through SHGs in Odisha.

**H1<sub>a</sub>:** There is a significant impact of the social environment on women's entrepreneurship Development through SHGs in Odisha.

**H2<sub>0</sub>:** There is no significant impact of the economic environment on women's entrepreneurship Development through SHGs in Odisha.

**H2<sub>a</sub>:** There is a significant impact of the economic environment on women's entrepreneurship Development through SHGs in Odisha.

**H3<sub>0</sub>:** There is no significant impact of the market linkage on women's entrepreneurship Development through SHGs in Odisha.

**H3<sub>a</sub>:** There is a significant impact of the market linkage on women's entrepreneurship Development through SHGs in Odisha.

#### 5. DATA COLLECTION

The conceptual model presented indicates that the primary focus of this study is on how Self-Help Groups (SHGs) have supported women entrepreneurs within the social and economic environment and through market linkages. The model further suggests that the empirical research is based on primary data collected from women business owners across 18 selected districts in Odisha, where the number of SHGs is more than 16,000. The population comprises approximately 401,942 Self Help Groups (SHGs) spread throughout these districts. A questionnaire comprising 24 questions, organised into 12



categories, has been developed to collect this primary data. Using Yamane's formula for sample size determination, the minimum required sample size was identified as 386. However, a total of 740 responses were collected for the study, utilising a 5-point Likert Scale.

**6. DATA ANALYSIS AND FINDINGS**

We can observe, as per the following Table 1, that the Cronbach’s Alpha is 0.868 and KMO is 0.899, which is close to 1, signifying.

Reliability Statistics	
Cronbach's Alpha	N of Items
.868	16

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.899
Bartlett's Test of Sphericity	Approx. Chi-Square	1358.700
	df	190
	Sig.	.000

**Table 1: Reliability, KMO and Bartlett’s Test.**

**Factor Analysis**

Component Loadings				
	RC1	RC2	RC3	Uniqueness
CBSK4	0.962			0.114
CBSK3	0.950			0.095
CBSK2	0.940			0.081
CBSK1	0.929			0.108
FICA2		0.898		0.190
FICA3		0.866		0.233
FICA1		0.831		0.247
FICA4		0.822		0.337
MLSC3			0.909	0.234
MLSC2			0.885	0.216
MLSC1			0.785	0.281
MLSC4			0.767	0.327
Note: The applied rotation method is promax				

**Table 2: Factor Analysis Component Loading**



The above Table 2, factor loadings in factor analysis, shows the correlation between a variable and a factor. It shows higher loadings nearer to 1, implying a stronger connection. Loadings also enable one to identify which variables most significantly influence each factor, which facilitates the interpretation for further measurements.

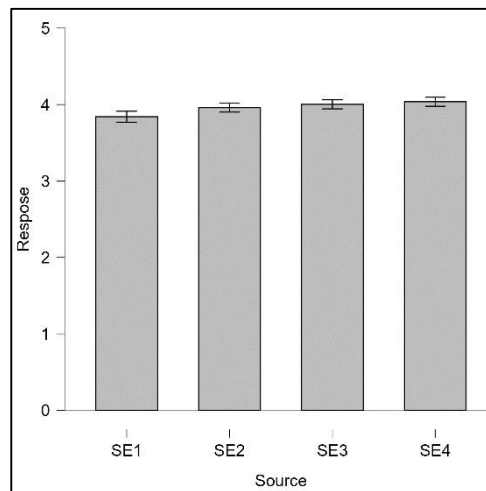
**6.1 Demonstrate Hypothesis H1:**

Descriptive Statistics of Social Environment (SE)

Source	N	Mean	SD	Coefficient of variance
SE1	740	3.841	0.987	0.257
SE2	740	3.959	0.808	0.204
SE3	740	4.003	0.816	0.204
SE3	740	4.036	0.816	0.202

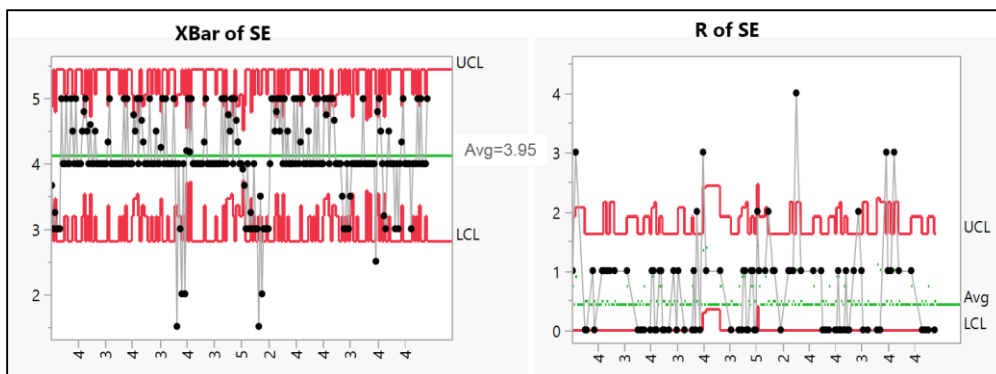
**Table 3: Descriptive Statistics of SE**

Bar plots of SE



**Figure 2: Bar Plot of Mean of SE**

Legacy Control Chart of SE



**Figure 3: Legacy Control Chart of SE**

The above Legacy Control Chart of Social Environment and (SE) shows plotted data points over time to see how stable and effective a process is. The main goal of these charts is to find trends, changes, and patterns in data that show whether a process was in control at a certain time in the past. The upper control limit (UCL) and lower control limit (LCL) show the



range of variation that is acceptable. Data points that fall within these ranges suggest that the process was stable and working normally at that time, and the average is 3.95.

Summary of Fit Statistics SE

Rsquare	0.8141
Adj Rsquare	0.7382
Root Mean Square Error	0.8494
Mean of Response	5.4912
Observations (or Sum Wgts)	2960

**Table 4: Fit Statistics of SE**

ANOVA TEST of SE

Source	DF	Sum of Squares	Mean Square	F Ratio	Prob > F
Source	3	10.9095	3.63649	4.9672	0.0019
Error	2956	2164.1054	0.73211		
C. Total	2959	2175.0149			

**Table 5: ANOVA table of SE**

The Sum Sq column shows the total variation 10.9095, and the mean square of the residuals is 3.63649, and the p value is 0.0019, which is less than 0.05 significance. Here we can prove our hypothesis that **H1<sub>o</sub>**: “There is no significant impact of the social environment on women’s entrepreneurship Development through SHGs in Odisha” is rejected, and **H1<sub>a</sub>**: “There is a significant impact of the social environment on women’s entrepreneurship Development through SHGs in Odisha” is accepted. It means the social environment is very essential for women entrepreneurs because it affects how easily they can get resources, make decisions, and feel secure in the business sector. This is why a supportive social environment is so important for the development of women’s entrepreneurship. A supportive social environment is the basis on which women’s business growth depends. It builds confidence, access, opportunity, and resilience, which are all necessary to get through problems that women face because of their gender and to reach their full economic potential.

**6.2 Demonstrate Hypothesis H2:**

Descriptive Statistics of Economic Environment (EE)

Source	N	Mean	SD	Coefficient of variance
EE1	740	4.012	0.805	0.201
EE2	740	4.005	0.806	0.201
EE3	740	4.082	0.808	0.198
EE4	740	3.982	0.808	0.203

**Table 6: Descriptive Statistics of EE**

Bar plots of EE

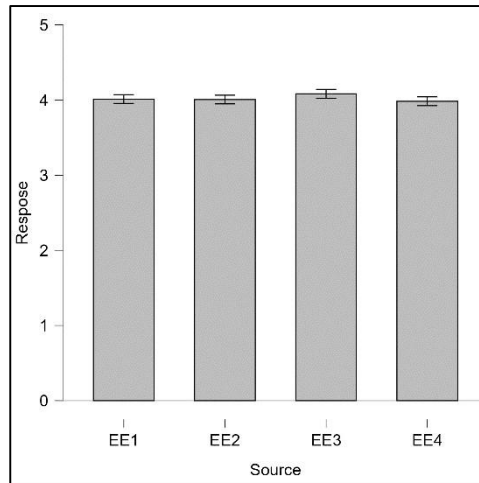


Figure 4: Bar Plot of Mean of EE

### Legacy Control Chart of EE

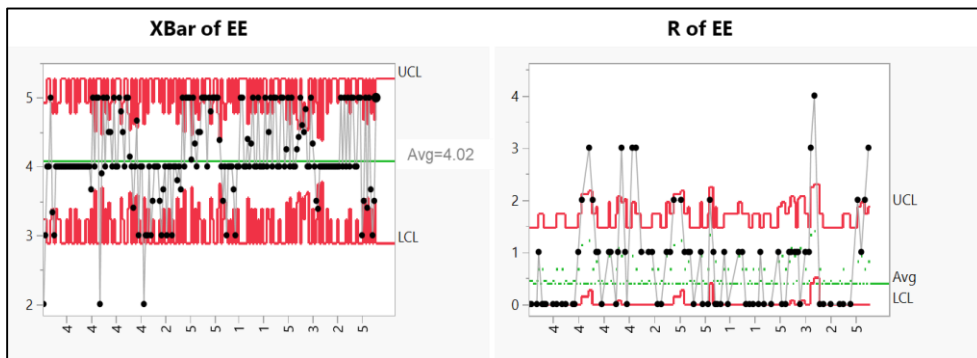


Figure 5: Legacy Control Chart of EE

The above Legacy Control Chart of Economic Environment (EE) shows plotted data points over time to see how stable and effective a process is. The main goal of these charts is to find trends, changes, and patterns in data that show whether a process was in control at a certain time in the past. The upper control limit (UCL) and lower control limit (LCL) show the range of variation that is acceptable. Data points that fall within these ranges suggest that the process was stable and working normally at that time, and the average is 4.02.

Summary of Fit Statistics EE

Rsquare	0.7133
Adj Rsquare	0.6128
Root Mean Square Error	0.850903
Mean of Response	3.981419
Observations (or Sum Wgts)	2960

Table 7: Fit Statistics of EE

### ANOVA TEST of EE





Source	DF	Sum of Squares	Mean Square	F Ratio	Prob > F
Source	3	43.5270	14.5090	19.1729	<.0001
Error	2956	2236.9378	0.7567		
C. Total	2959	2280.4649			

Table 8: ANOVA table of EE

The Sum Squares column shows the total variation 43.5270, and the mean square of the residuals is 14.5090, and the p value is 0.0001, which is less than 0.05 significant. Here we can prove our hypothesis that **H2<sub>o</sub>**: “There is no significant impact of the economic environment on the women's entrepreneurship Development through SHGs in Odisha” is rejected, and the alternative **H2<sub>a</sub>**: “There is a significant impact of the economic environment on the women's entrepreneurship

Development through SHGs in Odisha” is accepted. It means the different factors that affect the ability of women entrepreneurs to start, grow, and run a business will shift varying economic landscapes. These factors include the availability of financial capital, market access, educational resources, supportive policies, and the role of women entrepreneurs play is being recognised about achieving balanced economic development, poverty alleviation, and fostering economic growth and innovation.

### 6.3 Demonstrate Hypothesis H3:

Descriptive Statistics of Market Linkages (ML)

Source	N	Mean	SD	Coefficient of variance
EE1	740	3.797	1.008	0.266
EE2	740	4.005	0.806	0.201
EE3	740	4.082	0.808	0.198
EE4	740	3.983	0.808	0.203

Table 9: Descriptive Statistics of ML

Bar plots of

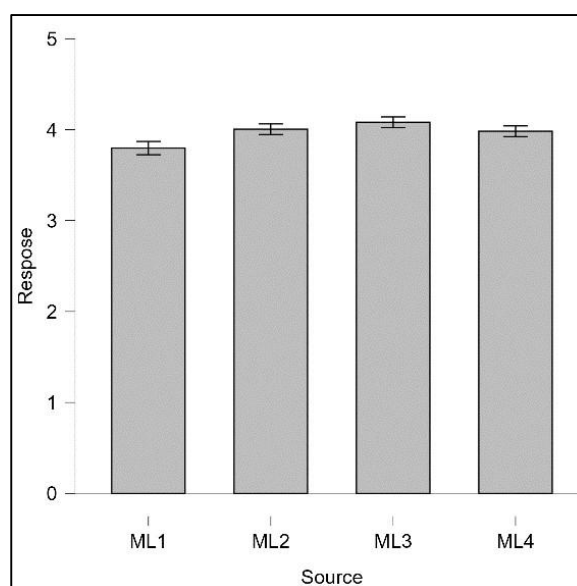


Figure 6: Bar Plot of Mean of ML





Legacy Control Chart of ML

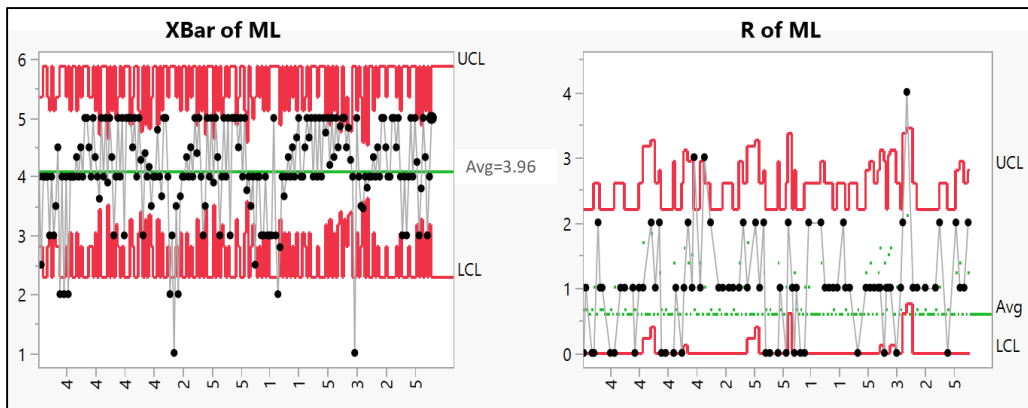


Figure 7: Legacy Control Chart of ML

The above Legacy Control Chart of Market Linkages (ML) shows plotted data points over time to see how stable and effective a process is. The main goal of these charts is to find trends, changes, and patterns in data that show whether a process was in control at a certain time in the past. The upper control limit (UCL) and lower control limit (LCL) show the range of variation that is acceptable. Data points that fall within these ranges suggest that the process was stable and working normally at that time, and the average is 3.96.

Summary of Fit Statistics of ML

Rsquare	0.7087
Adj Rsquare	0.6809
Root Mean Square Error	0.869911
Mean of Response	3.956757
Observations (or Sum Wgts)	2960

Table 10: Fit Statistics of ML

ANOVA TEST of ML

Source	DF	Sum of Squares	Mean Square	F Ratio	Prob > F
Source	3	32.439	10.813	14.553	<.0001
Error	2956	2196.316	0.743		
C. Total	2959	2228.755			

The Sum Squares column shows the total variation 32.439, and the mean square of the residuals is 10.813, and the p value is <0.0001, which is less than 0.05 significant. Here we can prove our hypothesis that **H3<sub>o</sub>**: “There is no significant impact of the market linkage on women's entrepreneurship Development through SHGs in Odisha” is rejected, and the alternative **H3<sub>a</sub>**: “There is a significant impact of the market linkage on women's entrepreneurship Development through SHGs in Odisha” is accepted. It means Market linkage is the link between producers (in this case, women entrepreneurs in SHGs) and customers or buyers. SHGs need to make sure that the products and services they make can be sold in markets where they can make money. For women who run businesses through SHGs, it turns work into economic power. It increases their income and long-term stability, which makes them stronger in society and allows them to make a real difference in their families and communities.



## 7. CONCLUSION

Government programs and SHGs in Odisha have helped women become entrepreneurs, which has increased their economic independence and social standing. The promotion of women entrepreneurs has been greatly aided by a variety of schemes and initiatives. Several obstacles, such as a lack of social environment, difficulties in establishing and maintaining connections to markets, and a long-standing economic environment, prevent women-led businesses from reaching their full potential. Financial support, improved infrastructure, and market linkages will all help women-led businesses overcome challenges and grow. An all-encompassing plan based on public action, private sector involvement, and community involvement is necessary for Odisha's entrepreneurial system to be sustainable for women. The main focus of this study, women entrepreneurship development with three major factors: social environment, economic environment and market linkages, which have been proven as per the hypothesis. For women to succeed in business, there must be a social climate that encourages and supports them. To overcome the obstacles women encounter in the workplace and to realise their full economic potential, it fosters self-assurance, access, opportunity, and resilience. SHGs should target profitable markets for their goods and services. Women gain economic power through their careers when they run enterprises through SHGs. Because of the boost to their income and security it provides, they can become more influential members of society and have a greater impact on the lives of those closest to them.

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