

Behavioural Influences on the Performance of Self Help Groups : A study in Rangareddy District of Andhra Pradesh

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Abstract

Self Help Groups (SHGs) have become significant vehicles of social change in the current era. Especially, the rural population of India has been immensely benefited by the poverty alleviation programs of the National Bank for Agricultural and Rural Development (NABARD). The movement of SHGs originated in Bangladesh by the Noble Laureate Md. Yunus. The greatest power of microfinance lies in the social network and institutional capital that is unleashed in the process of providing microfinance. Getting women to form groups of their own choosing to engage with a formal institution is itself a redefinition of a contract that has been traditionally patriarchic. The current microfinance discourse with its exclusive focus on innovations in the financial space of microfinance uses the social capital in a significantly different way, to improve the living standards of rural poor throughout the world. The present article is based on the Research Conducted in the state of Andhra Pradesh during 2008-2013. The research specifically emphasizes on the influence of Behavioural aspects like Leadership, Motivation, Group Dynamics and Inter Personal Communication in Self Help Groups.

INTRODUCTION

“Neither a borrower nor a lender be. For loan oft loses both itself and friend, and borrowing dulls the edge of husbandry” William Shakespeare (Polonius in Hamlet, 1603)

Microfinance has been an accepted idea with a longer run than most in the realm of third world poverty reduction. If one counts the time from the advent of micro credit, it has been around a seven decade long life span of official development assistance. The year 2005, was declared as the Year of Micro credit by the United Nations and in 2006, Md. Yunus won Nobel Peace Prize for his Grameen Bank which he found in Bangladesh. For Years, the microfinance industry has been successful in attracting the rural poor to avail the facilities of microfinance for changing their livelihoods. Micro credit seen as a poverty alleviation tool could only have one brighter side, the good side. Micro credit can create considerable opportunities for people to utilize the lumps of money so that they can improve their incomes and reduce vulnerability.

THE INDIAN CONTEXT

The Indian micro finance industry with more than 14 million Self Help Groups is considered to be the largest micro finance programs of the world. India is a country with

6,40,876 villages with total rural population of 83,30,87,662 and 51 percentage of population still living below the poverty line. Poverty is a condition in which people cannot meet their basic requirements like food, shelter and clothing. While human poverty is generally referred to as a decrease in the levels of motivation of the people, income poverty is defined as the failure to generate required income to meet the basic consumption needs and amenities. The magnitude of poverty in the country is creating problems to the planners and policy makers since independence.

As per Census of India, 2011, the total population of India is 1,21,01,93,422 and among that males are 62,37,24,248 and females are 54,64,69,174, depicting a gender ratio of 1000:940. Women have been making groups since very long time for a variety of reasons in India. It is common to see groups of women coming together in rural and urban areas to use their leisure time in sharing information about life in general. These groups have acted as forums for recreation, social education regarding ceremonies, rituals to be observed on different occasions. These groups also have acted as mechanisms of social control as they have power to impose sanctions on the deviated people. The groups also have acted as sources of spreading social information in the larger community as well at times unleashing wider social action unwittingly.

SELF HELP GROUPS IN WOMEN DEVELOPMENT

Self Help Groups enhance the equality of status of women as participants, decision makers and beneficiaries in the democratic, economic, social and cultural spheres of life. In all stages of economic and social activities, involvement of women becomes essential. They encourage women to take active part in the socio-economic progress of our nation.

The Self Help Groups bring out the possibility of women in moulding the community in right perspective and explore the initiatives of women in taking up entrepreneurial ventures. Self Help Groups empower women and train them to take active part in the socioeconomic progress of the nation and make them sensitized, self made and self disciplined, Self Help Groups may remove the social limitations of women such as superstitions and may contribute for their dominant role in decision making. The self help groups have inculcated a great confidence in the minds of rural women to succeed in their day to day life.

SHGS IN THE STATE OF ANDHRA PRADESH

SHGs have been initiated by NGOs in late 1980s in Andhra Pradesh. The women's savings and credit movement in AP can be said to have really began in 1995, in Nellore district as "Podupulakshmi" movement, post anti-liquor campaign by women. This led to large-scale promotion of SHGs in every district of AP. The **Podupulakshmi** movement started with the slogan of "save a rupee a day". Almost all the groups across the State began monthly individual savings of Rs. 30 with each DWCRA(Development of Women and Children in Rural Areas) group consisting of 15 women.

By the year 2000, DWCRA became a flagship program of Government of AP to implement all its poverty reduction programs. State Government introduced schemes like

Deepam (subsidized gas connections for DWCRA women) and State funded Revolving Fund, in addition to the Central Government Schemes. Several thousands of groups were formed instantly to access various Government Schemes.

The state of Andhra Pradesh was considered as the leading state in the endeavor of establishing more than 16, 00,000 SHGs. Andhra Pradesh is one of the pioneer states in encouraging Self Help Groups. The World Bank has said that the model of SHGs in Andhra Pradesh is remarkable and could be replicated in other states in India. Much of micro-finance initiatives involved SHGs predominantly are giving assistance to poor women in the villages of AP.

EMPIRICAL STUDIES

Suman Kalyan Chowdary(2012) states that in India, women empowerment relates to social, personal, financial and political realms. The empowerment of women comprises of women's self worthiness, their rights to have and determine choices, their rights to access resources and opportunities. All these opportunities can be created through self help groups.

K.RajaReddy (2012) reports that there is Increased cohesiveness and harmony in SHGs, as evident from focus group discussions, over a period of time, the financial performance of SHGs, in other words, the kinds of services that the SHGs are providing to their members, has brought several constructive changes in groups – increased member access to credit, ever-growing group corpus, adherence to norms, more cohesiveness among SHG members, and increased bankers' respect to SHG.

Ajay Thanka (2012) states that the State Governments have realized that the SHGs and their federations can play an intermediary role in extending various welfare services to the women lead SHGs, A large number of SHGs are seen as effective agencies of poverty alleviation and social development. The managerial and decision making abilities have made the SHGs as the most sought after lenders by the bankers and promoters.

Mansuri (2011) observed that the emergence of women development in India depends upon closely interlinked, economic, social, cultural, religious, psychological, and institutional variables. The rural women by all means can be very effective agents of change for better homes, better society and ultimately for the development of robust economy for India which is very much essential in the present global scenario.

Malyadri (2011) opines that the Women SHG Development Fund created by Union Budget, 2011 should expand to the SHGs of India, particularly in Andhra Pradesh that is leading the movement with more than 40% of SHGs. The movement also enabled the women to have regular interaction, exchange of information, and expanded their investment opportunities and gave an opportunity to improve their standards of living.

Sharma (2011) observed that organizing women into SHGs marks the beginning of major process of development of rural women, by strengthening their capacity to collective decision making and entrepreneurship development.

Srinivasan (2011) also observed that the Women SHG Fund improves the position of women in rural India, and promotes their social and economic development. Regional economic imbalances can come down and promotion of agricultural and allied activities may be made possible through the development of SHGS.

Parida (2011) is of the opinion that the women power needs to be well directed and motivated on various developmental activities so that women can be more productive and can become effective earners. NGOs are playing an active role in the promotion of women lead self help groups and these needs to be encouraged further.

THE BEHAVIOUR OF PARTICIPANTS AND GROUP INFLUENCES

Cooley (1909) one of the earliest group theorists, postulated that it was by the group experience that the individual become socialized. According to him, socialization is the sequence of social learning experiences that result in the integration of individual into a society. Social learning implies that the individual takes on values, norms and acceptable behaviour in interaction with others. This process seems to be most influential in small groups like family, peers, occupational groups and associational groups. He also emphasized that a group is a medium and the context for producing changes in members that endure beyond the existence of a group. These changes he said, appear in attitudes, personality traits, interests or skills and occur during and after the interaction of the group members.

OBJECTIVES

The research has been undertaken to study the behavioural influences on the performance of SHGs. Based on the literature review, the indicators of behaviour taken for the research are Leadership, Motivation, Group Dynamics and Interpersonal Communication.

- To study the importance of groups and group behaviour and evolution of financial inclusion and micro finance
- To understand the conceptual background of select behavioural factors and to study relevant literature on Self Help Groups
- To study the impact of Leadership on Self Help Groups.
- To analyze the influences of motivation on Self Help Groups.
- To understand the impact of Group Dynamics on Self Help Groups.
- To estimate the effect of interpersonal relations on Self Help Groups.

HYPOTHESES

The following Hypotheses were developed to carry out the research.

H1: There is a significant impact of Leadership on the SHGs

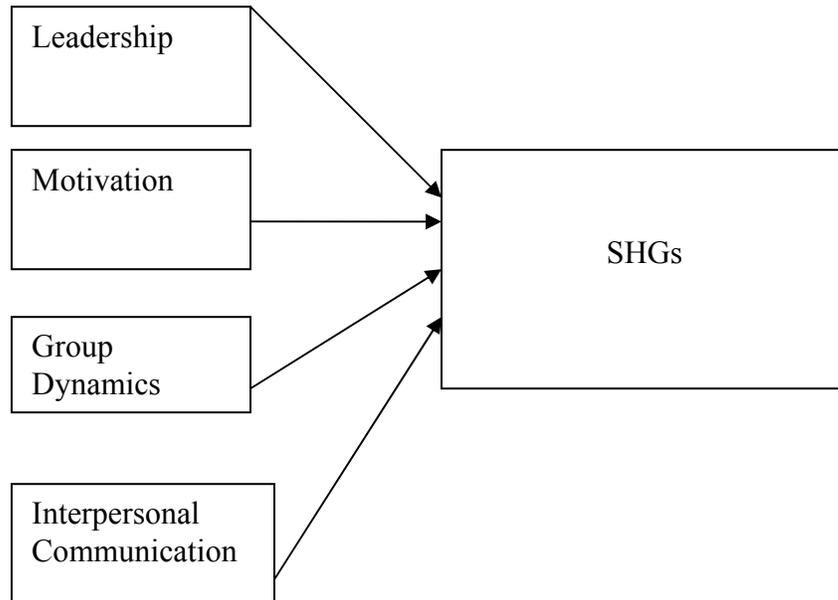
H2: There is a significant impact of Motivation on the SHGs

H3: There is a significant impact of Group Dynamics on the SHGs

H4: There is a significant impact of Interpersonal Communication on the SHGs

Model for the Study

The following model is developed to analyze the impact of independent variables i.e., leadership, motivation, group dynamics and interpersonal communication on the group.



DATA ANALYSIS OF FACTORS RELATED TO LEADERSHIP

Leadership is the first and foremost factor taken for the research. Nine important elements of leadership were considered for the study and their influences were studied with the help of a structured schedule. The elements taken for study are Effectiveness of Leadership, Economic and Social Benefits received due to the Leader, Accessibility of the leader, Pivotal role played by the leader, Guidance by the Leader, Representation of Group interests, Maintenance of Accounts, Financial Transparency and Support by the Leader.

Mean and Standard Deviations of Factors of Leadership

Factors	Number of Respondents	Minimum Score given by respondents	Maximum Score given by respondents	Mean	Standard Deviation
Effective leadership	1150	4	5	4.65	.477
Economic social benefits	1150	4	5	4.67	.469
Accessibility	1150	3	5	4.42	.668
Pivotal role	1150	2	5	3.94	.995

Guidance	1150	1	5	4.15	1.226
Representation	1150	1	5	3.49	1.366
Accounts maintenance	1150	2	5	4.30	.810
Financial transparency	1150	2	5	4.00	.839
Support	1150	3	5	4.24	.657
Average score				4.232	.938

Source: Researcher's Compilation

The Mean and standard deviations of the factors related to Leadership are tabulated and presented above with an indication of total number of respondents, the minimum and maximum scores awarded by the respondents to the mentioned factors. The least score is 1 and the maximum score is 5 on a five point scale. The higher the mean the higher is considered the significance of the factor and the lower the standard deviation, the better is the significance of the factor. In the above data the economic and social benefits of the members got the score of 4.67 against the maximum score of 5 indicating a significant impact of the factor, while representation by the leader got the minimum score of 3.49 against 5. When standard deviation is considered incidentally economic and social benefits got the least score of .469 while representation got the maximum score of 1.366 supporting the results of mean scores. The average mean of all the factors taken together is 4.232 and average standard deviation is .938.

DATA ANALYSIS OF FACTORS RELATED TO MOTIVATION

After the factors of leadership, the factors of motivation are considered for the research. The following is a sequential presentation of the tabulations and s along with a presentation of Mean and standard deviations. The factors considered for the study are Honour, Full attendance to the meetings, Financial benefits and satisfaction, Improved standards of Life, Intrinsic benefits, Strong affiliations, Improved social status and Ability to meet basic needs.

Mean and standard deviations of factors related to Motivation

Factors	Number of Respondents	Minimum Score given by respondents	Maximum Score given by respondents	Mean	Standard Deviation
Honor	1150	3	5	4.67	.474
Full attendance	1150	2	5	4.33	.829
Ability to Meet Basic needs	1150	2	5	3.91	.797
Financial Benefits & satisfaction	1150	2	5	3.61	1.196

Improved standards of life	1150	4	5	4.85	.355
Intrinsic benefits	1150	1	5	3.78	1.210
Strong affiliations	1150	2	5	4.10	.732
Social and Emotional Support	1150	2	5	3.75	.795
Average Scores				4.125	0.795

Source: Researcher's Compilation

The Mean and standard deviations of the factors related to Motivation are presented in the above table along with an indication of total number of respondents, the minimum and maximum scores awarded by the respondents to the mentioned factors. The least score is 1 and the maximum score is 5 on a five point scale. The higher the mean the higher is considered the significance of the factor and the lower the standard deviation, the better is the significance of the factor. In the above data the impact on standards of life got the highest score of 4.85 against the maximum score of five, while financial benefits and satisfaction got the least score of 3.61 against five. When standard deviation is considered, honour is considered to have least deviation of 0.474 and financial benefits and satisfaction are having highest standard deviation of 1.196. The average mean of all the factors stood at 4.125 and average deviation is 0.795.

DATA ANALYSIS OF FACTORS RELATED TO GROUP DYNAMICS

Group dynamics are the processes taking place in the groups. Group dynamics influence the performance of the groups. The factors studied under this category are Information sharing in the group, Synergy, Cohesiveness, Mutual trust and Support, Ability to meet financial commitments, Conflicts and High Group Performance. The tabulations, graphical presentations and analysis of the factors mentioned above are presented hereunder.

Mean and Standard Deviations of Factors related to Group Dynamics

Factors	Number of Respondents	Minimum Score given by respondents	Maximum Score given by respondents	Mean	Standard Deviation
Information sharing in group	1150	2	5	4.59	.607
Synergy	1150	2	5	4.10	.832

Cohesiveness	1150	3	5	4.68	.669
Trust and support	1150	3	5	4.72	.609
Ability to Meet emergencies	1150	2	5	3.97	.643
Ability to meet financial commitments	1150	4	5	4.98	.029
No Conflicts	1150	1	5	4.70	.856
High group performance	1150	1	5	3.98	1.086

Source: Researcher's Compilation

Mean and standard deviations of the factors related to group dynamics are tabulated and shown above. The analysis shown that the ability to meet financial commitments draw the highest score of 4.98 against the maximum score of five and ability to meet emergencies got the least score of 3.97 against five. While looking at the standard deviations, one can observe that the Ability to meet financial commitments got a least deviation of 0.029 while high group performance got the maximum standard deviation of 1.086. However the average mean is 4.47 and standard deviation is 0.666.

DATA ANALYSIS OF FACTORS OF INTER PERSONAL COMMUNICATION

Another important criterion taken for the study to assess the behavioural influences is Inter personal communication among the group members. Factors like familiarity, invitation to social events, information sharing among the group members, financial support, sharing of work, awareness of accounts, attendance on social events and communication gap were taken for the research. The following is a presentation of the factors along with an interpretation on each of the factors taken for the study. The consolidated mean and standard deviations of all the factors are presented in table number 5.5.9

Mean and standard deviations of factors related to Interpersonal Communication

Factors	Number of Respondents	Minimum Score given by respondents	Maximum Score given by respondents	Mean	Standard Deviation
Familiarity	1150	1	5	4.40	.910
Invitation to social events	1150	2	5	3.87	.954

Information sharing in members	1150	2	5	4.10	1.031
Financial support	1150	1	5	3.70	1.279
Sharing of work	1150	2	5	4.39	.611
Awareness of accounts	1150	2	5	4.73	.732
No Conflicts	1150	1	5	3.70	1.259
Communication gap	1150	1	5	3.38	.898
Average score				4.033	0.959

Source: Researcher's Compilation

The data shows that awareness of accounts has the maximum score of 4.73 among all the factors taken for research on interpersonal communication and communication gap got the least score of 3.38 on a five point scale. While considering standard deviations awareness of accounts got the least score of 0.611 and financial aspects of the group got the maximum standard deviation of 1.279. The average mean of all the factors is 4.033 and average deviation is 0.959.

Correlation between the Chosen Variables

Variables	Test	Leadership	Motivation	Group Dynamics	Interpersonal Communication
Leadership	Pearson Correlation	1	.935**	.019	.583**
	Sig. (2-tailed)		.000	.530	.000
Motivation	Pearson Correlation	.935**	1	.035	.528**
	Sig. (2-tailed)	.000		.240	.000
Group dynamics	Pearson Correlation	.019	.035	1	-.288**
	Sig. (2-tailed)	.530	.240		.000
Interpersonal Communication	Pearson Correlation	.583**	.528**	-.288**	1
	Sig. (2-tailed)	.000	.000	.000	
	N(Sample)	1150	1150	1150	1150

Source: Researcher's Compilation

The relationship between any two variables taken at a time can be explained through correlation coefficient. Carl Pearson Correlation Coefficient is taken for the establishment of relationship between the variables Leadership, Motivation, Group Dynamics and Interpersonal Communication. The range of correlation coefficients is between +1 and -1. Correlation coefficients with a positive sign(+) indicate a positive relationship and with a negative sign(-) indicate a negative relationship between the variables. Among the chosen variables, the correlation between leadership and motivation, leadership and interpersonal communication are high at .935 and .583 respectively. The relationship between Motivation and Leadership and Motivation and Interpersonal communication are also high at 0.935 and 0.528 respectively. Group dynamics are showing highest correlation with motivation and leadership at 0.035 and 0.019 respectively while Interpersonal Communication is exhibiting significant correlation with Leadership at 0.583 and Motivation at 0.528. To analyze further the factors leadership and motivation are positively correlated with the remaining variables hence can be considered as significant factors. However, the calculations show that all the factors are having significant correlation with one other with two tailed significance of 0.000.

RELIABILITY AND VALIDITY ANALYSIS

Reliability of the findings and validity of the research is important for any research study. Reliability is defined as the extent to which a variable is consistent in what it is intended to measure. Even though several measures of reliability can ascertain the reliability of the measuring instrument, the present research applied Cronbach's Alpha as a measure of reliability analysis. The value of Cronbach's Alpha explains the reliability of the factors taken for research by calculating Alpha value through SPSS.

The Chronbach's Alpha for the present research is measured through SPSS. The same is presented in the following table.

Table 5.8.1

Number of items in the Schedule	33
Cronbach's Alpha	0.862

Source: Researcher's Compilation

As per the values suggested, a value equal to or greater than 0.8 is considered to be good and the value for the present research is 0.862, which suggests that the factors taken for the study are reliable and hence the research delivers valid findings.

The research mainly has concentrated on the study of behavioural influences on the performance of Self Help Groups. After a thorough literature review, Leadership, Motivation, Group Dynamics and Interpersonal Communication were selected as independent factors of behaviour. The working of self help groups is observed to be commendable in bringing a social change and thus development of the rural poor. All the factors taken for the study were observed to influence the performance of groups which is measured through income of the members and income of the groups.

LIMITATIONS

Like every research there are certain limitations to the present research also which are enlisted under;

1. The study is limited to five mandals of Rangareddy district of Andhra Pradesh due to the existence of a number of mandals in the district i.e., thirty seven.
2. Due to time constraint and cost limitation, data has been collected from 1150 respondents only and the findings are based on the responses of these respondents.
3. The findings of the study may not be indicative of the total universe of SHGs of the state. As the number of mandals in Rangareddy district it self are thirty seven with each mandal consisting of 22-30 village panchayaths and each panchayath consisting 100-200 groups, the study can not be extended to all these areas and hence may have limited application.
4. The research considered the income of the members after joining the group only, as majority of the respondents stated that they were not earning any regular income before joining the groups. The income of the family is not considered as it may include the income of non members also.
5. The research did not consider any difference in the performance of groups in different mandals taken for the study, since during the pilot study, almost all the groups are observed to be having the same set of behaviour.

SCOPE FOR FURTHER RESEARCH

The present research was based on only four factors of behaviour i.e., Leadership, Motivation, Group Dynamics and Interpersonal Communication and their influence on performance of the groups measured through income of the members and income of the group. The behaviour of groups before availing the loans and their repayment behaviour can also be studied to assess the performance of the groups. The study was focused on five mandals of Rangareddy district only and other mandals can also be studied for further research. The scope can also be extended to other important indicators of performance like the nature of income generating activities, spending patterns, improvement in the standard of living of the groups etc.

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