



## Entrepreneurial challenges among SHG women in Jalgaon district: A field-based study

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### Abstract

Self-Help Groups (SHGs) are instrumental in fostering women's entrepreneurship in rural India by facilitating collective efforts and financial inclusion. This research examines the primary obstacles encountered by women entrepreneurs involved in SHGs in the Jalgaon district of Maharashtra. The research identifies the primary challenges to entrepreneurial success by utilizing a structured questionnaire and gathering feedback from 100 women entrepreneurs involved in SHGs. The Friedman Test applied to ranked data indicated that the perceived effects of these challenges differ significantly. The most notable issues identified were family and social limitations, insufficient awareness of government programs, a lack of business and financial knowledge, and limited access to credit. The results underscore the necessity for targeted policy measures, improved training initiatives, and enhanced institutional support to bolster the entrepreneurial environment for rural women.

**Keywords:** Self-Help groups, women entrepreneurs, jalgaon, rural development, entrepreneurship challenges, microenterprise, shg empowerment, friedman test

### Introduction

Self-Help Groups (SHGs) have emerged as a significant means of empowering women and promoting entrepreneurship, particularly in rural and underserved areas. However, women entrepreneurs within these groups encounter numerous ongoing challenges that can restrict their achievements. These challenges are complex, involving societal, economic, and infrastructural hurdles. Although SHGs play a crucial role in empowering women and driving economic development, these barriers can prevent them from fully realizing their potential.

### Review of literature

The following sections explore into key challenges, supported by insights from the provided research papers.

(Ghai *et al.*, 2025)<sup>[2]</sup> The economic importance of self-help groups (SHGs), which are vital community-based initiatives rooted in social capital, is evident in their role in creating job opportunities, promoting financial inclusion, empowering marginalized communities, and fostering economic growth. Nonetheless, these SHGs encounter numerous operational hurdles and sustainability issues that have captured the interest of both policymakers and scholars. The environment for SHGs has experienced a significant negative shift following the COVID-19 pandemic, presenting an existential threat to their survival.

(Vidya Kishan Alva & Dr. Kusum Thantry, 2024)<sup>[9, 10]</sup> The findings highlight the significant role of SHGs in empowering women entrepreneurs by providing microloans, training programs, and access to markets. These initiatives enable women to launch businesses, invest in various sectors, and support their families. Motivated by the pursuit of financial independence, community progress, and personal growth, women entrepreneurs in SHGs overcome challenges such as societal norms, limited access to technology, and legal barriers. By addressing these issues and offering tailored support, societies can fully harness the potential of women entrepreneurs, fostering inclusive economic development and social progress.

(Deepika *et al.*, 2024)<sup>[1]</sup> The study's results indicated that women entrepreneurs in SHGs encounter numerous challenges. These include a lack of formal education among women, limited opportunities for sales such as local markets, mobile vans, weddings, parties, and processing, as well as insufficient timely access to inputs and raw materials. Additionally, they face high transportation costs, the absence of their own retail outlets, inadequate loan amounts sanctioned by credit institutions or banks, issues with infrastructure development, a scarcity of motivational professionals or institutes, and a lack of storage facilities in their local areas for storing products and materials.

(Vidya Kishan Alva & Dr. Kusum Thantry Dsa, 2024)<sup>[9, 10]</sup> The results show that rural entrepreneurship facilitated by SHGs plays a vital role in community development, job creation, and enhancing living standards. However, it also faces challenges such as market access, financial literacy, and sustainability. The paper concludes by recommending ways to boost the effectiveness of rural entrepreneurship through SHGs, including government support, streamlined loan procedures, capacity building, and better market access. By tackling these issues, SHGs can continue to be instrumental in promoting inclusive growth and sustainable development in rural entrepreneurship.

(Ghosh *et al.*, 2024)<sup>[3]</sup> This research investigates how self-help group (SHG) initiatives and the entrepreneurial characteristics of SHG members influence the economic and socio-cultural empowerment of women in rural areas. The findings reveal a positive relationship between SHG initiatives and the empowerment of rural women, both economically and socio-culturally. The parameters identified and analyzed in this study are essential for stakeholders when formulating policies to improve all aspects that contribute to the success and development of SHGs in general, and specifically the micro-enterprises of women entrepreneurs within SHGs.

(Tripathi, 2023)<sup>[7]</sup> This study aims to explore how self-help groups (SHGs) contribute to fostering women entrepreneurship through empirical research. As a powerful tool for empowering women, these groups offer resources,

training, market connections, and financial support, creating a foundation for women to start their own businesses and strive for an improved quality of life. By providing a support network that helps women tackle obstacles and build resilience, participants in these groups have enhanced their socio-economic standing, improved their decision-making abilities, and engaged in income-generating activities.

(Yadav, 2021) <sup>[21]</sup> Self-Help Groups (SHGs) offer financial support to women in rural areas, enabling them to initiate entrepreneurial ventures and encouraging them to set up new small enterprises. Women are engaging in training and skill development programs and are using the borrowed funds for activities that generate income. Members of SHGs collaboratively make decisions regarding production and marketing strategies. The study relied on secondary data sources to achieve its objectives. This paper aimed to elucidate the contribution of SHGs to the development of women entrepreneurs. It emphasized the opportunities available through SHGs and various government schemes for fostering entrepreneurship.

(S & A, 2021) Women involved in entrepreneurship within Self Help Groups (SHGs) gain self-employment opportunities and collaborate to enhance their empowerment. Furthermore, these group ventures offer financial backing, moral support, and foster a cooperative spirit among the women through the establishment of SHGs. This research examines women entrepreneurship in Self Help Groups, specifically in the context of Chennai. The primary aim of this study is to evaluate the demographic characteristics of SHGs, their entrepreneurial motivations, and the challenges they encounter due to their entrepreneurial activities.

(Nayak *et al.*, 2020) <sup>[4]</sup> Self-help groups (SHGs) are widely embraced by developing countries for their role in promoting inclusive development. Despite their significance and the acknowledgment they receive, SHGs and their participants encounter numerous challenges. This paper aims to thoroughly explore the barriers that hinder the effectiveness of women SHGs. It suggests a strategic plan for all self-help promoting entities, including banks, state and central governments, and non-governmental organizations, to tackle these issues. The research reveals that SHG members in Odisha confront various challenges, such as financial constraints, entrepreneurial hurdles, capacity-building limitations, mentorship difficulties, socio-structural issues, and group dynamics.

(Ramakrishna. B *et al.*, 2018) <sup>[5]</sup> In India, where gender bias is prevalent, women frequently encounter substantial restrictions on their mobility and financial autonomy. They are predominantly restricted to domestic roles, concentrating on cooking and household chores. The male-centric Indian society often fails to recognize the direct and indirect contributions women make to the socio-economic structure of both their families and the wider community. Women's roles are often limited to managing household duties and caring for their husbands, children, and other relatives, depending on their husbands or children even for personal needs and decisions. This paper examines how Self Help Groups (SHGs) act as catalysts in promoting entrepreneurial ventures among rural women, enabling them to attain economic self-sufficiency and independence.

(Unnisa & Amulya, 2015) <sup>[8]</sup> Entrepreneurial endeavors by women in rural areas serve as a crucial means of

empowerment. However, these women encounter numerous obstacles when trying to establish businesses, with one significant issue being the lack of education, which restricts their entrepreneurial potential. Additionally, there is a challenge in terms of limited awareness about the financial opportunities available for business activities. In this context, Self Help Groups (SHGs) play a pivotal role for rural women. Initially, women join these groups and engage in various credit and savings activities. SHGs provide microcredit to rural women, encouraging them to invest in business ventures. This support helps women emerge as promising entrepreneurs and valuable human resources in the modern era.

**Research design and methodology**

The primary objective of the present study is “To study the challenges faced by SHG Women Entrepreneurs in Jalgaon District.”

Hypothesis

**H<sub>0</sub>:** The entrepreneurial challenges faced by SHG women entrepreneurs in Jalgaon district do not significantly differ.

**H<sub>1</sub>:** The entrepreneurial challenges faced by SHG women entrepreneurs in Jalgaon district significantly differs.

**Data collection and research instrument**

To collect primary data, a structured questionnaire with a 7-point scale was employed. This was distributed to 100 women entrepreneurs from SHGs in the Jalgaon district of Maharashtra. These entrepreneurs were asked to indicate their level of agreement on ten different challenges.

1. Limited access to finance and difficulty in obtaining loans or credit.
2. Lack of business and financial literacy, including pricing and bookkeeping skills.
3. Inadequate access to wider markets beyond the local community.
4. Poor digital skills and limited use of technology in business operations.
5. Family responsibilities and social constraints limiting business activities.
6. Insufficient training and lack of exposure to advanced entrepreneurial skills.
7. Irregular supply of raw materials and high transportation costs.
8. Limited awareness and access to government schemes and support programs.
9. Low confidence in making independent business decisions or taking risks.
10. Poor infrastructure such as inadequate storage, power supply, or workspace.

**Data analysis and interpretation**

The hypothesis was tested by conducting: Friedman Chi-Square Test.

**Table 1:** Chi-Square Friedman Test

Test Statistics <sup>a</sup>	
N	100
Chi-Square	193.256
df	9
Asymp. Sig.	.000
a. Friedman Test	

**Test Statistics**

$\chi^2 (9) = 193.256, p = 0.000, N = 100$

As the p-value (0.000) is below the significance threshold of 0.05, we reject the null hypothesis. This suggests that the challenges encountered by SHG women entrepreneurs in the Jalgaon district differ significantly from one another. To explore the specifics of these differences, we consult the Ranks Table below.

**Table 2: Ranks Table**

Ranks	
Challenges	Mean Rank
Limited access to finance and difficulty in obtaining loans or credit.	5.81
Lack of business and financial literacy, including pricing and bookkeeping skills.	5.97
Inadequate access to wider markets beyond the local community.	4.85
Poor digital skills and limited use of technology in business operations.	4.69
Family responsibilities and social constraints limiting business activities.	6.16
Insufficient training and lack of exposure to advanced entrepreneurial skills.	4.60
Limited awareness and access to government schemes and support programs.	6.17
Irregular supply of raw materials and high transportation costs.	5.56
Low confidence in making independent business decisions or taking risks.	5.77
Poor infrastructure such as inadequate storage, power supply, or workspace.	5.45

**Interpretation**

Since the data is rank-order in nature, a higher mean rank indicates a greater challenge as perceived by the respondents. From the Ranks Table, it is concluded that the top four challenges faced by SHG women entrepreneurs in Jalgaon district are:

1. Limited awareness and access to government schemes (Mean Rank = 6.17)
2. Family responsibilities and social constraints (Mean Rank = 6.16)
3. Lack of business and financial literacy (Mean Rank = 5.97)
4. Limited access to finance and credit (Mean Rank = 5.81)

These findings highlight the need for targeted interventions in social support, awareness programs, financial training, and easier access to credit to empower SHG women entrepreneurs in the region.

**Conclusion**

The study underscores that women entrepreneurs in the Jalgaon district, who are members of Self-Help Groups, encounter a variety of challenges in their business activities. Statistical analysis using the Friedman Test indicates that these challenges differ in severity. The most prominent hurdles include family responsibilities and societal constraints, a lack of awareness regarding government initiatives, and limited business and financial expertise. These problems are compounded by restricted access to credit, poor infrastructure, and low digital literacy levels. The findings highlight the urgent need for targeted

interventions such as capacity-building programs, training in digital and financial literacy, improved market access, and awareness campaigns about government support initiatives. Strengthening SHG networks with backing from institutions and the community can significantly enhance the sustainability and success of women-led enterprises in rural regions like Jalgaon.

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