



An empirical study on entrepreneurial challenges of SHG women in Dhule district

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Abstract

This study aims to explore the key challenges faced by women entrepreneurs who are part of self-help groups (SHGs) in the Dhule district of Maharashtra. A structured questionnaire using a 7-point scale was administered to 110 SHG women entrepreneurs to capture their perceptions of ten specific challenges. The data was analyzed using the Friedman Chi-Square Test to determine whether these challenges differed significantly in their severity. The test results revealed a statistically significant variation in the challenges encountered ($\chi^2(9) = 182.368, p = 0.000$), leading to the rejection of the null hypothesis. The top five challenges identified were family responsibilities and social constraints, limited awareness and access to government schemes, lack of business and financial literacy, limited access to credit, and low confidence in making independent decisions. These findings highlight the pressing need for multidimensional support, including financial literacy training, confidence-building initiatives, enhanced awareness of government schemes, and assistance in balancing family roles. Addressing these areas can contribute significantly to the entrepreneurial success and economic empowerment of women in SHGs.

Keywords: Self-help groups, women entrepreneurs, Dhule district, rural development, entrepreneurship challenges, shg empowerment, microenterprise

Introduction

Self-Help Groups (SHGs) have become a critical tool for empowering women and promoting entrepreneurship, especially in rural and underprivileged areas. However, women entrepreneurs in these groups encounter a variety of ongoing challenges that can obstruct their success. These challenges are complex, involving societal, economic, and infrastructural issues. While SHGs are vital in empowering women and driving economic progress, these obstacles can prevent them from achieving their full potential.

Review of literature

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

(Behera *et al.*, 2025) ^[1] The results indicated that Self-Help Groups (SHGs) play a crucial role in building social unity, improving access to financial resources, and advancing skill development. Nonetheless, differences in education levels, income, and institutional engagement reveal inequalities in empowerment and resource use. Sociograms created for each village illustrated the extensive interaction patterns among SHG members and with NGOs, although connections with government bodies were limited due to educational and geographical barriers. Key figures within the SHGs were essential in spreading information and resources, facilitating collective efforts to address socio-economic issues.

(Ghai *et al.*, 2025) ^[7] The economic significance of self-help groups (SHGs), which are crucial community-driven initiatives grounded in social capital, is clear in their contribution to job creation, financial inclusion, empowerment of marginalized groups, and economic development. However, these SHGs face numerous operational challenges and sustainability concerns that have drawn the attention of policymakers and researchers alike. The landscape for SHGs has undergone a substantial

negative change due to the COVID-19 pandemic, posing a serious threat to their continued existence.

(Ergün *et al.*, 2024) ^[6] This chapter delves into the distinct challenges and opportunities encountered by women entrepreneurs in rural areas, influenced by socio-economic and cultural dynamics. Among the primary obstacles are restricted access to financial resources, insufficient infrastructure, and limiting societal norms, all of which obstruct business expansion and sustainability. Financial hurdles are particularly pronounced, as rural women frequently lack the collateral and credit histories demanded by conventional lenders, thereby restricting their access to essential capital. Social norms further constrain women's entrepreneurial pursuits by emphasizing household responsibilities over business endeavors and limiting their access to networks and mentorship. Additionally, infrastructural shortcomings, such as inadequate transportation and unreliable communication, hinder operations and competitiveness. Nonetheless, new opportunities are emerging, such as sustainable development and digital platforms, which offer rural women novel markets and methods to engage with consumers.

(Tshuma *et al.*, 2024) ^[12] The results identified several obstacles: financial limitations due to product demand and restricted access to capital, personal difficulties such as issues with confidence and managing time, and social barriers, including gender stereotypes from family and community. The study concluded that the primary challenges for SHGs are economic, personal, and socio-psychological. It recommends the implementation of financial literacy programs that emphasize budget management, saving techniques, and investment planning. Furthermore, with the support of NGOs, SHGs should organize workshops on market connections, personal growth, self-esteem, and skill development.

(Bhojwani & Dwivedi, 2024) ^[3] The analysis pinpoints the influential publications, authors, and centers of excellence

that have significantly shaped the study of microfinance and women's entrepreneurship. It also uncovers the latest trends in related subtopics, such as women entrepreneurs and microfinance, which have gained traction in recent years. For researchers aiming to contribute to this field, these emerging themes offer valuable opportunities.

(Nepal, 2023) ^[9] Microfinance has become a powerful means of meeting financial needs, particularly for underserved communities, with a strong emphasis on empowering women. This research examines how microfinance influences women's entrepreneurship and societal change through entrepreneurship in Butwal sub-metropolitan city, focusing on decision-making, effectiveness, lifestyle improvements, and the reduction of domestic violence and gender inequality. By surveying 100 women entrepreneurs, the study uncovers significant positive impacts of microfinance. It strengthens women's decision-making abilities, boosts effectiveness, improves living standards, encourages investments, and decreases domestic violence. Microfinance supports entrepreneurship, challenges patriarchal norms, and aids in economic growth and social transformation. Correlation analysis shows strong links between the development of women entrepreneurship and other factors.

(Vidya Kishan Alva & Dr. Kusum Thantry, 2024) ^[14] The results underscore the crucial impact of SHGs in empowering women entrepreneurs by offering microloans, training sessions, and market access. These efforts allow women to start businesses, invest in diverse industries, and support their families. Driven by the desire for financial autonomy, community advancement, and personal development, women entrepreneurs in SHGs navigate obstacles such as societal expectations, restricted access to technology, and legal hurdles. By tackling these challenges and providing customized support, societies can fully leverage the potential of women entrepreneurs, promoting inclusive economic growth and social advancement.

(Deepika *et al.*, 2024) ^[4] The findings of the study revealed that women entrepreneurs in SHGs face a variety of obstacles. These challenges include a lack of formal education among women, limited sales opportunities such as local markets, mobile vans, weddings, parties, and processing, as well as inadequate and untimely access to inputs and raw materials. Furthermore, they deal with high transportation expenses, the absence of their own retail outlets, insufficient loan amounts approved by credit institutions or banks, infrastructure development issues, a shortage of motivational professionals or institutes, and a lack of storage facilities in their local areas for storing products and materials.

(Tripathi, 2023) ^[11] This research seeks to investigate the role of self-help groups (SHGs) in promoting women entrepreneurship through empirical analysis. These groups serve as a significant means of empowering women by offering resources, training, market access, and financial assistance, thereby laying the groundwork for women to launch their own businesses and pursue a better quality of life. By establishing a support network that aids women in overcoming challenges and building resilience, members of these groups have improved their socio-economic status, enhanced their decision-making skills, and participated in income-generating activities.

(Dhungana *et al.*, 2023) ^[5] The research demonstrated notable positive shifts in economic empowerment, such as

improved access to microcredit, property ownership, employment opportunities, healthcare services, and life insurance plans. Additionally, there were advancements in socio-political empowerment, evident in greater involvement in social, political, and religious groups, leadership positions, and the ability to voice opinions publicly. The results also underscored positive changes in decision-making authority, respect, communication, confidence, and access to training opportunities following participation in microfinance institutions (MFIs). The study concludes that microfinance initiatives are crucial in enhancing women's economic status, decision-making abilities, and socio-political engagement.

(Bhadauria, 2023) ^[2] This study seeks to evaluate the potential of Women SHGs in Siddharth Nagar District, with a particular emphasis on skill enhancement and entrepreneurship. Utilizing a mixed-method approach, the research integrates both qualitative and quantitative data collection techniques. Primary data is obtained through interviews, surveys, and focus group discussions, while secondary data from government reports, academic journals, and pertinent literature aids the analysis. The results demonstrate the substantial role of Women SHGs in promoting skill development and entrepreneurship among women in the district, underscoring their influence on economic and social progress.

(Yadav, 2021) ^[15] Self-Help Groups (SHGs) provide financial assistance to women in rural communities, empowering them to start entrepreneurial projects and encouraging the establishment of small businesses. Women participate in training and skill enhancement programs, utilizing the funds they borrow for income-generating activities. SHG members work together to make decisions about production and marketing strategies. The study utilized secondary data sources to fulfill its objectives. This paper aimed to highlight the role of SHGs in promoting the development of women entrepreneurs, focusing on the opportunities they offer and the various government initiatives that support entrepreneurship.

(Nayak *et al.*, 2020) ^[8] In developing nations, self-help groups (SHGs) are extensively adopted for their contribution to fostering inclusive growth. Despite their importance and the recognition, they garner, SHGs and their members face a multitude of obstacles. This paper seeks to delve into the impediments that limit the success of women SHGs. It proposes a comprehensive strategy for all entities promoting self-help, including banks, state and central governments, and non-governmental organizations, to address these challenges. The study finds that SHG members in Odisha encounter several difficulties, such as financial limitations, entrepreneurial challenges, capacity-building restrictions, mentorship issues, socio-structural barriers, and group dynamics.

(Ramakrishna. B *et al.*, 2018) ^[10] In India, a society marked by gender bias, 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) [13] Women in rural regions find empowerment through entrepreneurial activities, yet they face numerous challenges in launching businesses. A major hurdle is the lack of education, which limits their entrepreneurial capabilities. Furthermore, there is a lack of awareness regarding financial opportunities for business endeavors. In this scenario, Self Help Groups (SHGs) are vital for rural women. Women initially become part of these groups and participate in various credit and savings initiatives. SHGs offer microcredit to rural women, motivating them to invest in business projects. This assistance enables women to become emerging entrepreneurs and significant human resources in today's world.

Research design and methodology

The main aim of this study is to examine the challenges encountered by women entrepreneurs in self-help groups in the Dhule District.

Hypothesis

H₀: The entrepreneurial challenges faced by women entrepreneurs in self-help groups in Dhule district do not significantly differ.

H₁: The entrepreneurial challenges faced by women entrepreneurs in self-help groups in Dhule district significantly differs.

Data collection and research instrument

To gather primary data, a structured questionnaire featuring a 7-point scale was utilized. This was sent to 110 women entrepreneurs who are part of self-help groups. These entrepreneurs were requested to express their level of agreement regarding ten distinct challenges.

Table 1: Challenges faced by women entrepreneurs

Sr#	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	Limited awareness and access to government schemes and support programs.
8	Irregular supply of raw materials and high transportation costs.
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 2: Chi-Square Friedman Test

Test Statistics ^a	
N	110
Chi-Square	182.368
df	9
Asymp. Sig.	.000

a. Friedman Test

Test Statistics

$\chi^2 (9) = 182.368, p = 0.000, N = 110$

Given that 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 Dhule district vary significantly. To explore the specifics of these variations, we refer the Ranks Table below.

Table 3: Ranks Table

Ranks	
Challenges	Mean Rank
Limited access to finance and difficulty in obtaining loans or credit.	5.75
Lack of business and financial literacy, including pricing and bookkeeping skills.	6.05
Inadequate access to wider markets beyond the local community.	4.79
Poor digital skills and limited use of technology in business operations.	4.63
Family responsibilities and social constraints limiting business activities.	6.23
Insufficient training and lack of exposure to advanced entrepreneurial skills.	4.68
Limited awareness and access to government schemes and support programs.	6.09
Irregular supply of raw materials and high transportation costs.	5.64
Low confidence in making independent business decisions or taking risks.	5.71
Poor infrastructure such as inadequate storage, power supply, or workspace.	5.53

Interpretation

Given that the data is organized in a rank-order format, a higher average rank suggests that respondents perceive it as a more significant challenge. The respondents identified the top five challenges., are: family responsibilities and social constraints limiting business activities (mean rank = 6.23),

limited awareness and access to government schemes and support programs (mean rank = 6.09), lack of business and financial literacy, including pricing and bookkeeping skills (mean rank = 6.05), limited access to finance and difficulty in obtaining loans or credit (mean rank = 5.75), and low confidence in making independent business decisions or

taking risks (mean rank = 5.71). The results suggest that, in addition to financial challenges, women in SHGs in Dhule encounter substantial social, educational, and psychological difficulties that hinder their entrepreneurial progress. Thus, it is crucial to implement targeted measures that focus on raising awareness, providing training in financial and business skills, building confidence, and offering support to balance family responsibilities, all of which are vital for improving their entrepreneurial success and economic empowerment.

Conclusion

The study's findings reveal that the challenges encountered by SHG women entrepreneurs in Dhule district are not consistent but differ greatly in intensity. According to the Friedman test results, social and informational barriers are seen as more urgent than infrastructural or digital issues. The top five challenges highlighted by participants include family duties and social limitations, a lack of awareness about government programs, insufficient business and financial knowledge, limited access to credit, and low self-confidence in making entrepreneurial decisions. These findings indicate that merely addressing financial barriers is inadequate; it is essential to create interventions that also empower women socially, educationally, and psychologically. Tailored training programs, mentorship, easier access to government assistance, and efforts to enhance work-life balance can act as catalysts for improving the entrepreneurial path of women in SHGs, ensuring their long-term sustainability and success.

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