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# Impact of self help groups on attitudes of members

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ABSTRACT

An evaluative study was undertaken for measuring the attitude of self help group (SHG) members. Data were solicited from randomly selected 100 SHG members of Patna district, Bihar at two points of time (before and after), i e during 2008 and 2013. The attitude construct was measured by using a Likert-type scale developed by Meena *et al.* (2008). The study shows a significant improvement in attitude of SHG members on all the five dimensions, viz. socio-economic upliftment; education and training; marketing and entrepreneurship qualities; technology adoption and participatory research; and banking/credit aspects. This favourable attitude of SHG members could be harnessed through knowledge and skill up gradation for diversification towards high value crops for higher incomes. Market information and infrastructure may be helpful to scale up their production and become competitive in the market. The SHGs could be used as an effective mechanism for technology dissemination to support the public extension system, social and mutual learning, institutionalized process of empowerment, conflict management, participatory extension and sustainable and equitable development.

**Key words**: Attitude, Impact, Self-help group

Eastern India is the most fertile, naturally resource rich and socio-economically poor region of India. It constitutes nearly one-third (33.64%) of Indian population, with 40.08% population below poverty line (BPL), bearing a high pressure to sustain the livelihoods of nearly 604 person/km$^2$. Majority (82.95%) lives in rural areas having small and highly scattered land holdings which limit the adoption of modern agricultural practices. Hence, sustainable rural livelihoods of majority of the disadvantaged people in the region are at stake (Bhatt *et al.* 2013). The Government of India and state authorities alike have increasingly realized the importance of devoting attention to the economic betterment and development of rural poor. Bihar is amongst the poorest states in India. For reducing the rural poverty in developing countries, building social capital is critical to agricultural development strategies (Swanson 2006). Of late, SHGs have been recognized as reliable and efficient mode of technology transfer, but it needs positive attitude of SHG members as a prerequisite (Meena *et al.* 2003, Meena *et al.* 2008). Training had significant impact on knowledge level of SHG members while the experience and family size had contributed significantly (Meena *et al.* 2006, Singh and Meena 2012). Now-a-days, SHGs are playing a great role in technology dissemination (Meena *et al.* 2008, Khan *et al.* 2010, Meena and Singh 2011).

Recently, Government of Bihar has decided to focus on strengthening the SHG movement with manifold expansion of the women SHGs network by increasing their number to 1 million by involving 12 million women in the next five years under government's flagship scheme, i e National Rural Livelihood Mission (NRLM) (Times of India, 26$^{th}$ June, 2012). The World Bank supported NRLM is supposed to directly benefit some 350 million people in 12 states, which account for nearly 85% of India's rural poor, i e Bihar, Chhattisgarh, Gujarat, Jharkhand, Karnataka, Madhya Pradesh, Maharashtra, Odisha, Rajasthan, Tamil Nadu, Uttar Pradesh, and West Bengal. Another instance of growing importance of SHGs is from West Bengal where government has decided to work out a medical insurance scheme for the state's estimated 0.31 million SHGs run by women, on the lines of those for unorganized labour (Times of India, 18$^{th}$ May 2012). In spite of the rapid growth of SHGs in India, the full potential of utilizing SHGs remains unexploited. The present study was hence undertaken to measure the attitudes of the SHG members in Bihar state, India.

## MATERIALS AND METHODS

The present study was undertaken to assess the attitudinal change among SHG members. For measuring the attitude, a Likert-type Scale developed by Meena *et al.* (2008) was

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employed. The survey instrument consisted of 26-items, grouped into five sections, viz. socio-economic upliftment; education and training; marketing and entrepreneurship qualities; technology adoption and participatory research; and banking/credit. Data were solicited on 5-point continuum namely, Strongly Agree, Agree, Undecided, Disagree and Strongly Disagree with corresponding weightage of 5, 4, 3, 2 and 1. The possible minimum and maximum scores were 26 and 130, respectively. The data were solicited from randomly selected 10 SHGs of Bikram block of Patna district, Bihar. From 10 SHGs, 100 SHG members were interviewed at two points of time, i e before (year 2008) and after joining the SHG (year 2013). The mean values of two situations (before-after) were compared ($z$-statistics) to observe the change. The socio-economic variables and their measurement techniques are presented in Table 1.

Table 1 Demographic attributes of SHG members, Patna district, Bihar, India (N=100)

| Attributes | Categories | % |
|---|---|---|
| Age (years) | Young (< 27) | 12 |
| | Middle (27 to 45) | 80 |
| | Old (> 45) | 8 |
| Education | 0=Illiterate | 22 |
| | 1=Primary | 51 |
| | 2=Matric | 12 |
| | 3=Senior secondary | 3 |
| | 4=Graduate | 8 |
| | 5=Master degree | 4 |
| Background | 1=Rural | 94 |
| | 2=Urban | 6 |
| Gender | 1=Male | 53 |
| | 2=Female | 47 |
| Contribution/month/member (in ₹) | <1 | |
| | 1-50 | 90 |
| | > 50 | 10 |
| Income (in ₹) | <400 | 4 |
| | 400-891 | 84 |
| | >1891 | 12 |
| Membership (in years) | < 1 year | |
| | 1-6 years | 61 |
| | > 6 year | 39 |
| Main occupation | 1=Agriculture | 61 |
| | 2=Dairying | 3 |
| | 3=Fisheries | 2 |
| | 3=Labor work | 12 |
| | 4=Private service | 2 |
| | 5=Household work | 13 |
| | 6=Private shop/ business | 7 |

*Source:* Authors

*Hypothesis*

$H_{0:}$ There is no difference in attitude of SHG members (before-after).

$H_{1:}$ There is significant difference in attitude of SHG members (before-after).

## RESULTS AND DISCUSSION

Attitude strength is an important determinant of the attitude-behavior relationship. Strong attitudes are based on past knowledge and may be retrieved, whereas weak attitude is often constructed on the spot. Strong attitudes have more impact on behavior, are less susceptible to self-perception effects and are more stable over time (Holland *et al.* 2002). Attitudes are relatively stable and once adopted, provide a long-term positive effect (Olgyaiova *et al.* 2005). Attitude of an individual varies significantly when working in a group. The present study was pursued in the light of above mentioned theoretical observations and results derived have been discussed under different sub-heads below.

*Demographic characteristics of SHG members*

Study reveals (Table 1) that most SHG members were in the range of 27 to 45 years of age. However, members above 45 years (8%) with rich experience also joined the SHG activities. Nearly 50% SHG members had primary level education. About one-fifth (22%) members were illiterate followed by matriculates (12%), graduates (8%), and those holding masters degree (4%). Majority (94%) of SHG members had rural background and 90% of them contributed less than ₹ 50 per month/person in the group's account. The earning from SHG activities ranged from ₹ 400 to ₹ 1 891. Only one-tenth members earned more than ₹ 1 891 per month. Most of the members were having less than 6 years experience, however, 39% had more than 6 years experience in SHG activities. About 61% SHG members were engaged in agriculture as their main occupation followed by house hold work and manual labor work. It is evident from the Table 1, that the income of SHG members are not very high hence, SHG members should be given better training on management and technical aspects.

*Attitude of SHG members*

Attitude of the SHG members measured on a 5-point continuum scale. The scale consisted of 26-statements measured the five dimensions, viz. (i) socio-economic upliftment, (ii) education and training, (iii) marketing and entrepreneurship qualities, (iv) technology adoption and participatory research, and (v) banking/credit aspect. The comparison scores with the *"z"* values have been presented in Table 2.

*Socio-economic upliftment*

The attitude scale had 7-statements based on socio-economic upliftment aspect. The overall mean range of the

Table 2 Attitude of SHG members, Patna district, Bihar, India (N=100).

| Statements rated | After | | Before | | 'z' |
|---|---|---|---|---|---|
| | M | SD | M | SD | value |
| *Socio-economic upliftment* | | | | | 29.35** |
| SHG works as a powerful tool for socio-economic empowerment of the poor in rural areas | 4.65 | 0.47 | 4.0 | 0.47 | 13.56* |
| SHG helps to resolve the conflicts among the members | 4.55 | 0.60 | 3.94 | 0.60 | 9.82* |
| SHG is an approach for collective efforts | 4.38 | 0.48 | 4.00 | 0.48 | 7.79* |
| Group rules and regulations are based on democratic principle | 4.21 | 0.67 | 3.82 | 0.72 | 5.78* |
| Female members can better utilize their spare time in productive activities through groups | 4.24 | 0.74 | 3.85 | 0.70 | 5.94* |
| SHG formation can be a way to eradicate the poverty and unemployment | 4.58 | 0.62 | 3.94 | 0.60 | 12.73* |
| SHG improves the saving behavior of the members | 4.60 | 0.60 | 3.97 | 0.54 | 12.98* |
| *Education and training* | | | | | 18.64* |
| Training helps in developing positive attitude for new techniques | 4.31 | 0.58 | 3.97 | 0.52 | 7.14* |
| Education plays pivotal role in changing behavior | 4.50 | 0.50 | 3.97 | 0.55 | 8.68* |
| Educated persons are more likely to be good entrepreneurs | 4.54 | 0.49 | 4.0 | 0.50 | 10.78* |
| Training is essential to improve the competence understanding and professional behavior | 4.40 | 0.51 | 4.0 | 0.49 | 8.12* |
| *Marketing and entrepreneurship qualities* | | | | | 23.84* |
| Good entrepreneurs are developed by training and experience | 4.31 | 0.58 | 3.94 | 0.58 | 7.68* |
| Group formation is the democratic approach for entrepreneurships development | 4.50 | 0.50 | 3.92 | 0.60 | 11.76* |
| Market demand is very important factor to take up any business activity | 4.54 | 0.50 | 3.89 | 0.65 | 11.20* |
| Knowledge of marketing is prerequisite to gain maximum benefit | 4.40 | 0.49 | 3.91 | 0.61 | 10.04* |
| Product preparation through self help groups promotes the healthy competition among groups | 4.35 | 0.51 | 3.91 | 0.55 | 9.38* |
| Risk taking is the important characteristics of a successful entrepreneur | 4.59 | 0.53 | 3.90 | 0.55 | 11.43* |
| *Technology adoptation and participatory research* | | | | | 11.70* |
| Mass media is helpful for quick dissemination and popularization of the technologies | 4.56 | 0.51 | 3.89 | 0.55 | 11.41* |
| Through group approach participatory research becomes easier. | 4.58 | 0.61 | 3.87 | 0.64 | 7.68* |
| Groups are emerging as a very reliable and efficient mode for transfer of technology | 4.36 | 0.62 | 3.79 | 0.68 | 8.58* |
| Need assessment is essential for the planning of a programme | 4.53 | 0.50 | 3.94 | 0.50 | 10.68* |
| *Banking/Credit* | | | | | 23.83* |
| SHG improves the coordination among members | 4.61 | 0.49 | 3.91 | 0.49 | 12.12* |
| Meeting of different groups contribute in exchange of their experiences | 4.43 | 0.51 | 3.92 | 0.55 | 9.38* |
| Frequent meeting may contribute in exchange of social norms and values among members | 4.34 | 0.62 | 3.79 | 0.67 | 8.15* |
| Banks are more eager to sanction loan to groups compared to individual | 4.64 | 0.48 | 3.86 | 0.48 | 13.77* |
| Financial assistance is essential to setup a new venture | 4.56 | 0.49 | 3.90 | 0.49 | 10.80* |
| Overall | | | | | 57.23* |

Rating scale: 1=Strongly disagree; 2=Disagree; 3=Undecided; 4=Agree; 5= Strongly agree

*indicates that "z" value significant at 0.05% level of confidence (df=99).

*Source:* Authors

scores on the 5-continuum scale was observed from 3.82 to 4.00. The response in 'before' situation did not show any clear indication of being positive towards the group activities. Moreover, members were in "Undecided" situation as most of the responses were between 3 to 4 (Undecided to Agree). In before situation, SHG members did not have any working experiences while in after situation the responses were encouraging.

In after situation, responses were departed from 'Agree' to 'Strongly Agree' as the response ranges from 4.21-4.65.

They learnt that SHG approach can improve the socio-economic conditions of the members. SHG members agreed that SHG works as a powerful tool for socio-economic empowerment of the poor in rural areas. They were of the opinion that groups resolve the conflicts among members and further endorsed that the SHG is an approach for collective efforts as groups' rules and regulations are based on democratic principle. Through the SHG approach, members can better utilize their spare time in productive activities. It was further observed that formation of SHG could be a way to eradicate the poverty and unemployment as SHG members gained experience of associating as well as working in the group, thereby securing additional income and inculcating saving behavior through group action. Two situations (before and after) were compared to find out the improvement occurred being the SHG member. The analysis ('z' statistics) shows a significant change after the joining of the SHG (Table 2).

*Education and training*

The attitude scale had 4-statements based on education and training aspects. Education brings the changes in attitude of people, while training is an essential process of increasing knowledge, changing attitudes, developing skills and confidence among the participants. It enhances their self-confidence and competencies as well as proficiency in communicating the desired knowledge among peers and clients. In contrast to the before situation (mean ranges from 3.97- 4.0), the attitude of SHG members changed while they joined the SHG (mean ranges from 4.31-4.54). The SHG members showed an enhancement in positive thinking thus implying that training helped in developing positive attitude for employing new techniques. Education is a social process, responsible for developing and inculcating various physical, intellectual, aesthetic and moral qualities as well as values in an individual, it played a pivotal role in changing behavior among the SHG members. Their perception that only educated persons can be good entrepreneurs changed after they became SHG members. They agreed that training is decisive to improve the competence in understanding and for professional behavior. Although, results show significant improvement (Table 2), however there is a need to educate the SHG members and train them in scientific agriculture for higher sustainable incomes.

*Marketing and entrepreneurship qualities*

The attitude scale had 4-statements based on marketing and entrepreneurship qualities. Marketing and entrepreneurship qualities are important factors to empower the SHG members economically. The SHGs have paved the way for economic independence of rural poor. The results, i e mean scores of the before situation ranges from 3.89 to 3.92. While in after situation mean responses increased and the range was from 4.31 to 4.59. Results show a significant improvement (Table 2). It is well understood that good entrepreneurs are developed by training and experience. The training is an overt process, a sequence of experiences and a series of opportunities for learning. Groups are formed with the consensus of all the members and nothing can be imposed on group members, hence group formation is the democratic approach for entrepreneurship development. Market demand is very important factor to take up any business activity which was known to the group members. Knowledge of marketing is prerequisite to gain maximum benefit from the group's activity. Competition exists when more products are available in the market hence product preparation through SHG promotes the healthy competition among groups. It is implicit that risk taking behavior is an important characteristic of a successful entrepreneur. Hence, it is well established that marketing and entrepreneurship qualities among SHG members improve the livelihood security and stability of groups.

*Technology adoption and participatory research*

The attitude scale had 4-statements based on technology adoption and participatory research. The mean score of before and after situation were increased from 3.79-3.94 to 4.36-4.58, shows a significant change (Table 2). SHG members were highly receptive about the latest information technology. mass media such as radio, television, internet, print media and other audio-visual media helped them for quick dissemination and popularization of agricultural technologies. Through these means scientists could reach a large number of people with minimum cost and time. SHG members agreed that Mass media is helpful for quick dissemination and popularization of the technologies. As members are participating at every steps of SHG, so through group approach, participatory research becomes easier. Through adoption of group approach proven technologies can be transferred with minimum cost and time, thus, now-a-days groups are emerging as a very reliable and efficient mode for transfer of technology. Need is the mother of invention and shows the gap between present and future situation. Therefore, participants revealed that need assessment is essential for the planning of a programme. They clearly understood the significance of need based planning for effective attainment of objectives by groups as well as individuals.

*Banking/Credit*

Banking/credit is an essential feature for the economic activity of any venture. It provides the base and stabilizes the groups' activities. The attitude scale had 5-statements based on banking/credit aspect. In before situation, the mean score recorded from 3.79 to 3.92 while in after situation the scores increased and ranges from 4.34 to 4.64. After becoming SHG members, they could become aware about the banking activities. The members agreed that SHG improves coordination among members as group meetings promoted

the extension principle of learning by doing. Participants realized that meeting of different groups contribute in exchange of their experiences and they used to discuss operational problems and conflicts as well as resolution techniques. It is fact that people mostly consider their values and norms best, which may not be true under all situations. Frequent meeting may contribute in exchange of social norms and values among members. Recently, banks are more eager to sanction loan to SHGs compared to individual, however members used to face immense hurdles in harnessing the credit benefits from the banks individually. Group members made efforts to take the credit for starting their economic activities; hence it was common for all to know that financial assistance is essential to setup a new venture.

Overall, it is observed that there is significant positive improvement in attitude of SHG members in before and after situations (Table 2 and 3). Hence the null hypothesis ($H_0$) is rejected and alternate hypothesis is accepted ($H_1$). From the perusal of Table 4 and 5, it can be revealed that overall change in various sub-categories of the attitude scale was as Banking/credit>Technology adoption and participatory research>Marketing and entrepreneurship qualities>Socio-economic upliftment>Education and training. The highest changes was experienced on banking/credit aspect. Since the farmers generally do not have interaction with the bank officials. But, as soon as they joined a particular group or SHG, credit is one of the integral aspects where SHGs are linked up with the financial institution for fulfilling the credit needs. Banking is prerequisite for any economic venture for smooth functioning and stabilization of group activities. While the observed change was lowest in educational and training related aspects. Other sub-groups, i e socio-economic upliftment, marketing and entrepreneurship qualities and technology adoption and participatory research were observed much similar response.

Table 3 *Z*-test for two sample means of attitude of SHG members

| Instrument | Observation | After mean | Before mean | df | 'z' statistics |
|---|---|---|---|---|---|
| Attitude | *100* | 4.49 | 3.91 | *99* | *57.23** |

*Indicates "z" value significant at 0.05% level of confidence (df=99).

Table 4 ANOVA single factor

| Attitude statement sub-groups | Count | Sum | Average | Variance |
|---|---|---|---|---|
| Socio-economic upliftment | 100 | 57 | 0.57 | 0.037722 |
| Education and training | 100 | 45.25 | 0.4525 | 0.058958 |
| Marketing and entre -preneurship qualities | 100 | 58 | 0.58 | 0.059192 |
| Technology adoption and participatory research | 100 | 61.75 | 0.6175 | 0.117999 |
| Banking/credit | 100 | 66.8 | 0.668 | 0.078562 |

Table 5 ANOVA statistics

| Source of variation | SS | df | MS | F | P-value | F crit |
|---|---|---|---|---|---|---|
| Between groups | 2.54 | 4 | 0.63 | 9.03637 | 4.74146E-07 | 2.389948 |
| Within groups | 34.89 | 495 | 0.07 | | | |
| Total | 37.43 | 499 | | | | |

## CONCLUSIONS

Study shows a significant improvement in attitude of SHG members on all the five dimensions, viz. socio-economic upliftment; education and training; marketing and entrepreneurship qualities; technology adoption and participatory research; and banking/credit aspects. This favourable attitude could be harnessed through technical up gradation of SHG members for the diversification towards high value crops. The SHGs could be used as an effective mechanism for technology dissemination to support the public extension system; social and mutual learning; institutionalized process of empowerment; and sustainable, equitable and participatory extension and development. Besides effective cooperation and coordination among the stakeholders, what is most essential is to infuse positive and favorable intentions and attitude, self-confidence and capacity for self-determination among the clientele system.

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