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Assessing the Effect of Entrepreneurial Training on SHG-led Entrepreneurship in Uttar Pradesh

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Abstract

This research paper examines the impact of entrepreneurial training on the promotion of entrepreneurship through Self-Help Groups (SHGs) in Uttar Pradesh. The study is based on data collected from 172 SHGs from districts of Uttar Pradesh. The findings indicate a strong and positive influence of training on entrepreneurial outcomes. Ordinal regression analysis reveals that the inclusion of training as an independent variable significantly improves model fit compared to the intercept-only model, with a p-value of .000, indicating high statistical significance. The model's goodness-of-fit is further supported by Pseudo R-Square values: Cox and Snell (0.721), Nagelkerke (0.800), and McFadden (0.550), suggesting that training accounts for a substantial portion—ranging from 55% to 80%—of the variance in entrepreneurship promotion. The study concludes that structured entrepreneurial training significantly enhances the capabilities and success of SHG-based entrepreneurs in Uttar Pradesh, making it a critical component of rural development initiatives.

Keywords: Entrepreneurship, Self-help Groups, Entrepreneurial Training, Capacity building.

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Introduction

The Self-Help Group (SHG) movement has emerged as a transformative grassroots initiative aimed at empowering marginalized communities, particularly rural women, by promoting financial inclusion and social upliftment. In India, SHGs have not only facilitated microcredit access but have also become crucial instruments for fostering entrepreneurship. The state of Uttar Pradesh, with its vast rural landscape and significant socio-economic disparities, presents a unique setting where SHGs play a critical role in enabling livelihoods and promoting inclusive development.

Entrepreneurship among SHG members has increasingly been recognized as a viable pathway to self-reliance, poverty alleviation, and gender empowerment. However, entrepreneurship is not an innate trait—it requires a combination of knowledge, skills, and attitudinal change. Training, therefore, becomes a fundamental pillar in equipping SHG members with the necessary capabilities to conceptualize, launch, and sustain small enterprises. Whether it involves skill development, financial literacy, market awareness, or digital competence, targeted training programs can significantly enhance the entrepreneurial potential of SHG members.

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Despite various efforts focusing on training SHGs in Uttar Pradesh, there remains questions around the accessibility, quality, content relevance, and long-term impact of training interventions. This study seeks to critically examine the role of training in promoting entrepreneurship among SHG members in Uttar Pradesh. It aims to assess how different training modules influence entrepreneurial success, identify the gaps in current practices, and propose strategies for more effective capacity building.

By focusing on this intersection of training and rural entrepreneurship, the research intends to contribute valuable insights to policymakers, development

practitioners, and academic discourse on rural economic transformation through SHG-led models.

Review of Literature

Self-help organizations have the capacity to establish microbusinesses that are crucial to the expansion and advancement of the economy. Self-help organizations have helped build a few microbusinesses in Assam with the aim of generating revenue. Rastriya Gramin Vikas Nidhi's credit and savings program in Assam has been successful because it takes a targeted strategy to helping the rural poor with skilled staff and supportive policies that don't include politics. Thus, it became clear that training is important for both SHG members and those from agencies that engage with self-help groups. (Borbora & Mahanta, 2001).

For ensuring entrepreneurial success the group requires capacity and skill building through training. (Nagesh & Murthy, 2008) investigated the efficacy of women's entrepreneurship training and education programs in their research, which helps to understand the need for entrepreneurial education. It's also useful to identify the advantages and disadvantages of various training programs. It is possible to identify necessary training program adjustments by comparing predetermined goals with actual achievement.

Entrepreneurial success of the group is dependent on the cohesiveness and closeness among the group members. The degree of capacity building, the likelihood of better using loans for productive purposes, and the degree of personal entrepreneurial skills all rose with increased group affiliation, according to a study based on data on microfinance clients from four organizations in Maharashtra.(Basargekar, 2010)

(Sinha & Agarwal, 2011) in their study point out that since women make up half of the population, their involvement in industry is essential to the economic development of a district, state, and nation. According to their case study of Jaunpur, a semi-urban city in eastern Uttar Pradesh, appropriate training programs for female entrepreneurs had to be put in place. In every industry, more efforts should be taken to support female entrepreneurs.

(Singh & Sharma, 2011) opined that the majority of SHG members are women who work on farms and in related fields. To make use of their leisure time and establish and run sustainable businesses, they need technical training. These businesses are a means of improving society and being financially and economically independent. autonomy. rural women's economic standing.

To improve the success rate of women entrepreneurs, it is essential to design and implement appropriate training programs that are regularly offered to members of Self-Help Groups (SHGs). These programs should focus on enhancing entrepreneurial competencies such as business planning, financial literacy, marketing, risk management, and leadership. When women receive targeted and practical training, they are better equipped to manage and grow their enterprises successfully. The purpose of this article is to explore and explain the various components of Entrepreneurship Development Programs (EDPs) and to assess how these components contribute to the development, sustainability, and overall success of women entrepreneurs (Vanithamani & Menon, 2012).

Lack of knowledge about business, marketing, advertising are some challenges that women entrepreneur must face. Other challenges that women entrepreneurs of self-help groups in Kolhapur face are dominance of male members in society, poor support from family members, lack of skill and lack of guidance. These may be addressed through proper training, guidance and counselling (Desai & Gaikwad, 2013).

Concurrently, entrepreneurial training programs equip individuals with the knowledge and skills required to initiate and sustain micro-enterprises, thereby fostering self-reliance and economic resilience (Banerjee et al., 2015).

SHGs are women centric and through their working they have been able to ensure economic empowerment of women. Self-help groups (SHGs) in India, particularly those focused on women, have been instrumental in promoting entrepreneurship and economic empowerment. These groups provide access to credit, training, and a supportive network, which have led to the establishment of successful microenterprises and increased employment opportunities in rural areas (Kumar & Joshi, 2015).

The success of SHGs in generating revenue through microenterprises has been found to be largely dependent on the availability of microfinance and skill development training that trains group members on the fundamentals of business and revenue-generating techniques (Shruti, Gowthami, & Panda, 2018).

Methodology

The research is primarily descriptive research that involves a detailed and in-depth study of entrepreneurial training available to self-help groups in Uttar Pradesh.

The work describes how entrepreneurial training among SHGs effects their entrepreneurial efforts.

Objectives

- Assess the role of training promoting entrepreneurship through SHGs within Uttar Pradesh.
- To suggest measures relating to entrepreneurial training that would be helpful in improving the performance of SHGs with respect to promotion of entrepreneurship.

Hypothesis

H_1: Training have a significant impact on entrepreneurship promotion.

Research Design

The research is primarily descriptive research that involves a detailed and in-depth study of entrepreneurial training, and it influence on entrepreneurship promotion through SHGs in Uttar Pradesh. The approach helps in describing the prevailing situation linked to entrepreneurial training and how has it affected promotion of entrepreneurship through SHGs in Uttar Pradesh.

Universe and Sampling

Universe consists of the SHGs in the seventy-five districts of Uttar Pradesh. The sampling method adopted for the study is convenience sampling, snow-ball technique is also used. Care was taken to include districts from eastern and western region in. SHGs are diversly distributed across the state and located in urban, semi-urban and rural areas. Exact location and numbers of SHGs are not available. To reach out to self-help groups help of acquaintance who were part of some self-help group or knew such group in their locality was taken. Reference from the contacted group was taken to reach to more group in the district. Apart from this data from SHGs members who had come to participate in trade fairs like 'Hunar Haat', 'Lucknow Mahotsav', 'Hasth Shilp Mela', 'Shilp Samagam' organised in Lucknow was also collected. Effective sample size in 172.

Data Collection

Primary data was collected through a survey of self-help groups in Uttar Pradesh. The procedure adopted to collect data about self-help groups was as following**:** (a) Personal visit to SHGs was done through the help of acquaintances. Data was also collected by acquaintances at some places. (b) Reference from respondents in the previous steps were taken and these were approached

Table 1: Crosstabulation between Entrepreneurship Promotion and Training showing Observed and Expected counts

*Entrepreneurship Promotion * Training Crosstabulation*

			TRNG																					*Total*
			1.1	1.2	1.3	1.4	1.5	1.6	1.7	1.8	1.9	2	2.1	2.2	2.3	2.4	2.5	2.6	2.7	2.8	2.9	3	3.1	3.2	
Your SHG has effectively promoted Entrepreneur-ship	Strongly Agree	Count	7	16	16	8	8	7	8	1	1	0	0	0	0	0	0	0	0	0	0	0	0	0	72
		Expected Count	2.9	8.4	10	6.3	7.5	6.7	8.4	3.8	2.1	1.3	1.3	0.4	0.4	1.3	0.4	1.3	2.1	1.3	3.3	1.7	0.4	0.8	72
	Agree	Count	0	4	8	7	10	9	12	8	4	3	3	0	0	0	0	0	0	0	0	1	0	0	69
		Expected Count	2.8	8	9.6	6	7.2	6.4	8	3.6	2	1.2	1.2	0.4	0.4	1.2	0.4	1.2	2	1.2	3.2	1.6	0.4	0.8	69
	Neutral	Count	0	0	0	0	0	0	0	0	0	0	0	1	1	3	0	3	2	2	4	2	1	0	19
		Expected Count	0.8	2.2	2.7	1.7	2	1.8	2.2	1	0.6	0.3	0.3	0.1	0.1	0.3	0.1	0.3	0.6	0.3	0.9	0.4	0.1	0.2	19
	Disagree	Count	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0	3	1	4	1	0	2	12
		Expected Count	0.5	1.4	1.7	1	1.3	1.1	1.4	0.6	0.3	0.2	0.2	0.1	0.1	0.2	0.1	0.2	0.3	0.2	0.6	0.3	0.1	0.1	12
Total		Count	7	20	24	15	18	16	20	9	5	3	3	1	1	3	1	3	5	3	8	4	1	2	172
		Expected Count	7	20	24	15	18	16	20	9	5	3	3	1	1	3	1	3	5	3	8	4	1	2	172

Table 2: Chi-Square Tests between Entrepreneurship Promotion and Training

Chi-square tests between entrepreneurship promotion and training

	Value	*df*	*Asymptotic Significance (2-sided)*
Pearson Chi-Square	271.426a	63	0.000
Likelihood Ratio	212.947	63	0.000
Linear-by-Linear Association	120.179	1	0.000
N of Valid Cases	172		

for data collection. (c) Questionnaire was given to SHG members who had come to participate in trade fairs like 'Hunar Haat', 'Lucknow Mahotsav', 'Hasth Shilp Mela', 'Shilp Samagam' organised in Lucknow.

Analysis and Interpretation

The cross-tabulation table (Table 1) between entrepreneurship promotion and training show the observed and expected values.

The chi-square (Table 2) above shows a strong association between entrepreneurship promotion and training.

The symmetric measure table (Table 3) suggests strong association and high corelation between entrepreneurship promotion and training.

The ordinal regression's model fitting data (Table 4) indicates that the model is substantially better than the intercept-only model when the independent variable (training) is included. A statistically significant improvement in model fit is indicated at a significance level of.000. Thus, it implies that training significantly influences the promotion of entrepreneurship.

The value of significance at Pearson is 1 and Deviance value is also 1 with degree of freedom 413. The value of significance level is more than 0.05 (p>.05), it shows, expected data is like the observed data (Table 5).

The presence of an independent variable accounts for roughly 72.1% of the variance in entrepreneurship promotion, according to the "Cox and Snell Pseudo R-Square" value of 0.721.

With a "Nagelkerke Pseudo R-Square" value of 0.800, the model—which includes the training variable—is thought to account for around 80% of the variation in entrepreneurship promotion.

With a "McFadden Pseudo R-Square" score of 0.550, the model can explain that training causes the dependent variable to vary by roughly 55% (Table 6).

TRNG1(Regular conduct of training programme for the members), TRNG4(Knowledge enhancement about business operations due to training), TRNG5(Skill enhancement due to training), TRNGS7(Training has provided solution to questions and queries), TRNG8(There is positive impact of training on working), and TRNG10(Satisfaction with the content and focus area of training) were found to be statistically significant ($p < .05$), indicating that presence of these is associated with a higher likelihood of being in a more advanced category of entrepreneurship promotion (Table 7). Conversely, TRNG2(Members willingness to participate in training), TRNG3(Training programmes being specific and related to few issues), TRNG6(Training Schedule is prepared before each training programme), and TRNG9(Satisfaction with the frequency of training) did not reach statistical significance, suggesting that groups with or without these did not show a significant difference in their likelihood of transitioning to a higher category of entrepreneurship promotion.

The significant value from 'model fitting information', non-significant p-value form 'goodness of fit' test, values from 'pseudo–R Square' and positives values of 'Parameter Estimates' indicates that there is an effect of training on entrepreneurship promotion. It evident that adding or improving training for SHGs in Uttar Pradesh can have a strong positive impact on entrepreneurship promotion.

There is sufficient evidence to accept the hypothesis 'H_1: Training have a significant impact on entrepreneurship promotion.' The hypothesis is thus accepted.

Findings

The model fitting statistics show that entrepreneurship training has a statistically significant impact on entrepreneurship promotion among SHGs. The

Table 3: Symmetric Measures Entrepreneurship Promotion and Training

Symmetric measures entrepreneurship promotion and training

		Value	*Asymptotic standard error*	*Approximate TB*	*Approximate significance*
Nominal by Nominal	Contingency Coefficient	0.782			0.00
Ordinal by Ordinal	Gamma	0.776	0.043	12.829	0.00
N of Valid Cases		172			

Table 4: Model Fitting Information for Entrepreneurship Promotion and Training

Model Fitting Information				
Model	*-2 Log Likelihood*	*Chi-Square*	*df*	*Sig.*
Intercept Only	383.036			
Final	163.363	219.674	10	0

Table 5: Goodness-of-fit for Entrepreneurship Promotion and Training

Goodness-of-Fit			
	Chi-Square	*df*	*Sig.*
Pearson	183.665	413	1.000
Deviance	151.102	413	1.000

Table 6: Pseudo R-Square for Entrepreneurship Promotion and Training

Pseudo R-Square	
Cox and Snell	0.721
Nagelkerke	0.8
McFadden	0.55

significant improvement from the Intercept Only model to the Final model demonstrates that adding the training variable meaningfully contributes to explaining the variation in entrepreneurship outcomes. All three pseudo-R-square values indicate a strong association between entrepreneurial training and entrepreneurship promotion among SHG members. The high values especially the Nagelkerke (0.800) and McFadden (0.550) suggest that entrepreneurial training significantly contributes to the promotion and success of entrepreneurship in the SHG context. The consistency across these three measures strengthens the validity and reliability of the regression model used in the study. The ordinal regression model demonstrates that entrepreneurial training has a substantial and statistically significant impact on entrepreneurship promotion among SHGs in Uttar Pradesh. The high pseudo-R-square values confirm that training explains a large proportion of the variance, affirming the importance of investing in structured training programs as part of entrepreneurship development initiatives.

It has been shown that one crucial component that encourages entrepreneurship among SHGs in Uttar Pradesh is entrepreneurial training. Increased training frequency has been shown to benefit entrepreneurship. Members' knowledge and abilities regarding business and group operations have been successfully increased through training, which also has a good effect on their work in general. Training has been successful in answering members' questions and resolving issues.

Table 7: Parameter Estimate for Entrepreneurship Promotion and Training

Parameter Estimates								
		Estimate	*Std. Error*	*Wald*	*df*	*Sig.*	*95% Confidence Interval*	
							Lower Bound	*Upper Bound*
Threshold	[ENTRSHP = 1]	8.532	1.228	48.243	1	0	6.125	10.94
	[ENTRSHP = 2]	14.665	1.946	56.771	1	0	10.85	18.479
	[ENTRSHP = 3]	19.378	2.481	61.017	1	0	14.516	24.24
Location	TRNGSKILL1	1.048	0.4	6.855	1	0.009	0.263	1.832
	TRNGSKILL2	0.793	0.484	2.684	1	0.002	-0.156	1.743
	TRNGSKILL3	0.396	0.41	0.933	1	0.334	-0.407	1.198
	TRNGSKILL4	0.342	0.437	0.611	1	0.034	-0.515	1.198
	TRNGSKILL5	0.866	0.42	4.252	1	0.039	0.043	1.688
	TRNGSKILL6	-0.442	0.287	2.368	1	0.124	-1.004	0.121
	TRNGSKILL7	1.068	0.423	6.39	1	0.011	0.24	1.897
	TRNGSKILL8	1.596	0.382	17.427	1	0.000	0.847	2.345
	TRNGSKILL9	-0.358	0.328	1.19	1	0.275	-1.002	0.285
	TRNGSKILL10	1.147	0.455	6.359	1	0.012	0.256	2.039

Regarding the training's substance, members are satisfied.

Conclusion

In Uttar Pradesh, training has become a crucial component in encouraging entrepreneurship among self-help groups. Training can introduce or strengthen any of the components or variables that are essential for promoting entrepreneurship. It is imperative that group training be conducted more frequently. These training programs should concentrate on topics like accurate financial transaction documentation, leadership development, team building, and conflict resolution to produce better results.

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