

# The Role of Self-Help Groups in Business Growth: An Empirical Analysis among Women Entrepreneurs in Jammu & Kashmir

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## Abstract

This study investigates the impact of Self-Help Groups (SHGs) on the business growth of women entrepreneurs in the conflict-affected region of Central Kashmir (Srinagar, Budgam, and Ganderbal). Amidst the distinct socio-political instability and post-pandemic disruptions in Jammu & Kashmir, this research employs a convergent mixed-methods design, analyzing survey data from 220 entrepreneurs and qualitative insights from 25 interviews. Findings reveal that while SHGs provide essential social capital and moderate financial access, significant gaps persist in capacity-building support, particularly in digital marketing and access to technical resources. Regression analysis confirms that capacity-building support is a stronger predictor of business growth ( $\beta = -0.43$ ) than socio-financial support. The study identifies a critical "importance-achievement gap" in technological adoption, where entrepreneurial needs far outstrip current SHG provisions. These results suggest that to foster genuine resilience in this fragile, conflict-affected context, SHGs must transition from microcredit-centric models to comprehensive, tech-enabled entrepreneurial ecosystems. The paper concludes with actionable policy recommendations for integrating digital literacy and market linkages into SHG frameworks.

**Keywords:** Self-Help Groups, Women Entrepreneurs, Business Growth, Digital Literacy, Jammu & Kashmir, Post-Pandemic Recovery

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## Introduction

Women's entrepreneurship has emerged as a vital driver of economic growth, innovation, and socio-cultural advancement worldwide. Particularly in the post-pandemic context, it contributes not only to the empowerment of individual women but also promotes household welfare and community resilience (Salamzadeh & Mellahi, 2024; Global Entrepreneurship Monitor [GEM], 2024). The World Bank (2025) estimates that closing gender entrepreneurial gaps can boost global GDP by up to 20%, adding an estimated \$12 trillion to the global economy.

In India, women manage approximately 13.76% of establishments, accounting for over 8 million enterprises (Ministry of Statistics & Programme Implementation [MoSPI], 2022). However, many women-led enterprises face severe constraints in accessing institutional finance, skills development, and growth-

oriented networks. The Sixth Economic Census highlights distinct challenges in Jammu & Kashmir, primarily in the Kashmir valley, including limited productive credit, underdeveloped infrastructure, patriarchal norms, and persistent insecurity exacerbated by recurrent socio-economic shocks.

Women entrepreneurs in Kashmir are predominantly younger than 45 years, engaging in micro- and small-scale enterprises across agriculture, crafts, food processing, trading, horticulture, and service sectors. Though literacy rates are relatively high, socio-cultural restrictions and fragmented institutional support limit their integration into formal economic networks.

Self-Help Groups (SHGs), initially microcredit collectives, have become pivotal grassroots platforms for financial inclusion, skill development, and empowerment under government initiatives like the Deendayal Antyodaya Yojana – National Rural Livelihoods Mission (day-NRLM) and the Jammu & Kashmir State Rural Livelihood Mission (UMEED). The COVID-19 pandemic exposed critical gaps in SHGs' ability to sustain business resilience; members experienced business closures, exclusion from relief efforts, digital divides, and inadequate entrepreneurial training to adapt operations. These challenges call for repositioning SHGs from traditional credit providers to comprehensive entrepreneurial ecosystems integrating digital tools, market linkages, and ongoing mentoring.

Drawing on social capital and entrepreneurial ecosystem theories, this study examines how differentiated SHG support functions drive women's enterprise resilience in post-COVID, conflict-affected Kashmir - a context where infrastructure fragility and patriarchal norms heighten entrepreneurial barriers. By quantifying support–growth gaps and testing predictive effects of socio-financial versus capacity-building support, we contribute both theoretically and practically to the design of robust SHG-led entrepreneurial ecosystems

*This study addresses three key questions:*

- How effectively have SHGs fostered business resilience and growth among women entrepreneurs post-pandemic in Jammu & Kashmir?
- Which aspects of SHG support remain underdeveloped?
- How SHGs can evolve into comprehensive platforms equipped to meet contemporary entrepreneurial demands in fragile contexts?

## **Literature Review**

### *Global and National Perspectives on SHGs and Women's Entrepreneurship*

SHGs have gained international recognition as catalytic models fostering women's economic empowerment across developing regions (Cherie Blair Foundation for Women, 2024; World Economic Forum, 2025; GEM, 2024). Their spread across Asia, Africa, and Latin America rests on collective saving, micro-lending, skills training, and peer mentoring, which build resilience, agency, and social capital among women (Malque et al., 2025; Lakhawat et al., 2024).

Within India, SHGs spur both economic and social transformation. MoSPI (2022) shows SHG-linked microenterprises contribute substantively to household income stability and local employment, despite

ongoing credit constraints and pervasive patriarchal controls. NRLM's women-centred group formation and skill development have increased women's micro-entrepreneurial activities, enhancing resilience post-pandemic (Shrivastava et al., 2023; Singh et al., 2024).

Evidence indicates SHGs are most impactful when combined with digital literacy, technical skilling, and market access, yet these features are inconsistently implemented, especially in fragile, conflict-affected regions (Malque et al., 2025). Moreover, SHG participation correlates with positive spillovers, including reduced gender-based violence, improved child welfare, and enhanced political engagement at the village level (Mahato, 2023; Aggarwal et al., 2020; Davidson & Sanyal, 2017).

### *Mechanisms and Dimensions of Empowerment*

Empirical literature delineates the multifaceted impact of SHGs on women's empowerment across economic, psychological, and social domains (Pavithra & Shanthi, 2025). Economic empowerment is reflected in improved access to credit, increased income streams, enhanced savings, and greater ability to invest in business expansion. Psychological empowerment stems from increased self-confidence and leadership skills fostered through democratic group governance and technical capacities (Mahato, 2023; Singh et al., 2024).

Social empowerment arises as SHGs provide safe spaces for women to transcend traditional familial roles, build broader networks, and actively participate in community decision-making. Such participation has been linked to transformative social outcomes, including the mitigation of gender-based violence, diminution of harmful practices like dowry, and promotion of gender-equitable educational opportunities for children (Aggarwal et al., 2021; Kapoor & Shikha, 2019). The confluence of these empowerment dimensions confirms SHGs as critical agents of socio-economic transformation.

### *Regional Focus: SHGs and Women Entrepreneurs in Kashmir*

The Kashmir region's unique socio-political context characterised by sustained conflict, poor infrastructure, and deep-seated patriarchal norms both constrains and accentuates the transformative potential of SHGs (Shrivastava, Bhat, & Jameel, 2023). Research highlights that, despite adversity, SHG membership contributes positively to women's financial independence, agency within households, and community engagement (Jammu & Kashmir Economic Survey, 2022).

However, studies indicate that many SHGs in Kashmir lag behind national counterparts regarding advanced support features, including digital literacy, market connectivity, and policy awareness (Singh et al., 2024). The still-felt effects of the COVID-19 pandemic, coupled with volatile security situations and restrictive mobility, have led to business disruptions and reduced capacity for entrepreneurial adaptation (Shrivastava et al., 2023).

### *COVID-19 Pandemic: Risks and Adaptations through SHGs*

The COVID-19 pandemic presented unprecedented challenges for women entrepreneurs, many of whom faced business closures, disrupted supply chains, and increased domestic burdens (Global Entrepreneurship

Monitor, 2024). Meanwhile, SHGs played vital roles in community response initiatives like producing masks, organizing food distribution, and supporting relief operations earning recognition as critical local actors (GEM, 2024).

Crucially, SHGs equipped with digital skills and flexible financial mechanisms demonstrated greater resilience, enabling faster recovery post-lockdowns (Mahato, 2023; Pavithra & Shanthi, 2025). Conversely, groups lacking such supports experienced stagnation or permanent closures, underscoring the importance of capacity building and ecosystem linkages in crisis mitigation.

### *Challenges and Future Directions*

Criticism highlights uneven SHG impacts and risks of pushing women into low-margin activities without scaling support (Tanima, 2025; CGAP, 2023). Emerging scholarship recommends intersectional, gender-transformative SHGs embedding digital literacy, climate resilience, policy advocacy, and robust monitoring frameworks (Malque et al., 2025; Neupane & Bhattarai, 2024).

### *Research Gap Summary*

While extensive literature documents the social empowerment role of SHGs in stable contexts (e.g., classic microfinance studies in southern India), three critical gaps remain. First, there is limited empirical evidence on how SHGs function as business incubators in conflict affected zones like Kashmir, where mobility and internet restrictions create unique barriers distinct from the general Indian context. Second, few studies have mathematically quantified the gap between the support entrepreneurs need (importance) and what they receive (achievement) in the post-pandemic digital economy. Third, the specific role of "capacity-building" versus "financial support" in driving business recovery remains underexplored. This study addresses these gaps by evaluating SHG effectiveness through a mixed-methods lens in the specific context of Central Kashmir.

## **Conceptual Framework**

### *Conceptual Framework:*

This study employs a conceptual framework grounded in established theories to explore how distinct support functions of Self-Help Groups (SHGs) influence entrepreneurial outcomes in the post-pandemic context.

Drawing upon social capital theory (Nahapiet & Ghoshal, 1998), the resource-based view of the firm (Penrose, 1959), and entrepreneurial ecosystem frameworks (Isenberg, 2010; Stam, 2015), the framework posits that SHGs, through the provision of financial resources and capacity-building services, build complementary capabilities that jointly drive business resilience and growth.

- Social capital theory highlights the value of social networks and trust embedded within SHGs that facilitate resource mobilization and knowledge sharing.
- The resource-based view emphasizes the strategic advantage gained from internal resources such as

skills, technology, and leadership nurtured via SHG activities.

- The entrepreneurial ecosystem perspective recognizes the importance of coordinated institutional and social supports that enable entrepreneurs to thrive within complex environments.

*The framework breaks down SHG support into two primary dimensions:*

1. Socio-Financial Support: Encompassing financial access, counselling, and awareness of policies. These provide foundational resources and inform decision-making.
2. Capacity-Building Support: Including training, technology access, marketing facilitation, and personal growth initiatives. These enhance entrepreneurial capabilities and adaptability.

## **Objectives, Hypotheses & Research Questions**

### *Research Objectives*

This study aims:

- To assess the role of Self-Help Groups in fostering business growth (Financial Growth, Market expansion, Technological advancement, Infrastructure development, Human Resource development, Product/Service innovation & Digital marketing ) among women entrepreneurs in Jammu and Kashmir during the post-pandemic period.
- To identify critical gaps in SHG support with particular emphasis on financial access, technology adoption, market linkage, and policy integration through perceptual analysis.
- To provide actionable recommendations for SHG administrators, policymakers, and development practitioners to enhance the effectiveness of SHGs as entrepreneurial support mechanisms.

### *Hypothesis*

- H<sub>0</sub>1: Socio-financial support from SHGs has no significant effect on post-COVID revenue recovery and financial performance of women entrepreneurs in Jammu and Kashmir.
- H<sub>0</sub>2: Capacity-building support has no significant effect on technology adoption and market expansion for women entrepreneurs.
- H<sub>0</sub>3: Digital transformation has no significant effect on the relationship of capacity-building support and business growth outcomes.

### *Research Questions*

To guide the inquiry, the study poses the following research questions:

- RQ1: How effectively have Self-Help Groups supported business resilience and expansion for women entrepreneurs in Jammu and Kashmir following the COVID-19 pandemic?
- RQ2: Which domains of SHG support remain underdeveloped or insufficient from the perspective of women entrepreneurs?
- RQ3: How can Self-Help Groups evolve into comprehensive, technology-enabled platforms to meet the dynamic needs of women entrepreneurs in a fragile and complex socio-economic environment?

## Research Methodology

This study employs a convergent mixed-methods design to examine how Self-Help Group (SHG) support functions influence post-pandemic business resilience and growth among women entrepreneurs in Jammu & Kashmir. Quantitative and qualitative data were collected concurrently and integrated at the interpretation stage to enhance validity through triangulation (Creswell & Plano Clark, 2018).

### *Analytic Strategy*

Descriptive statistics summarize sample characteristics and SHG support dimensions. Paired-sample t-tests and ANOVA assess gaps between the importance and achievement of growth factors. Multiple regression models test the predictive effects of two orthogonal SHG support indices—Socio-Financial Support and Capacity-Building Support on the aggregated business growth gap (the weighted difference between a respondent's "Perceived Importance" score and "Actual Achievement" score across business growth dimensions). Qualitative thematic analysis using NVivo Software provides contextual depth, explaining quantitative patterns.

### *Sampling and Participants*

A multi-stage stratified random sampling procedure ensured representativeness of semi-rural–rural and district variation within Central Kashmir (Srinagar, Budgam, Ganderbal).

Stage 1: Purposive selection of three districts based on SHG density and pandemic impact.

Stage 2: Random selection of 12 administrative blocks across these districts.

Stage 3: Proportionate stratified sampling of 45 SHGs (90% semi-rural; 10% rural).

Stage 4: Random selection of 220 women entrepreneurs (membership  $\geq 1$  year) from SHG rosters.

A purposive subsample of 25 members represented diverse enterprise types and digital pivot experiences for in-depth interviews.

### *Power Analysis used to determine Sample Size*

Software G\*Power 3.1 determined that  $N = 220$  exceeds requirements for:

- Paired t-tests (medium effect  $d = 0.50$ ;  $\alpha = 0.05$ ; power  $> 0.99$ ).
- Hierarchical regression ( $f^2 = 0.15$ ; five predictors;  $\alpha = 0.05$ ; power  $> 0.80$ ).

### *Data Collection Instruments*

The structured questionnaire has been formulated while drawing upon contemporary scholarship and validated scales (Neupane & Bhattarai, 2024; Salamzadeh & Mellahi, 2024). (See *Annexure 1*).

- Demographics and enterprise profile.
- SHG support items (29)—seven dimensions measured on 5-point frequency scales.
- Business growth indicators—importance (1–5) and achievement (1–5) scales for five dimensions.

- Challenges impact ratings (1–5).

Semi-structured interviews probed lived experiences, SHG interactions, digital pivots, and perceived support gaps. A pilot study with 30 women entrepreneurs ensured linguistic clarity, contextual appropriateness, and respondent comprehension. Feedback led to rephrasing and reordering of items to reduce respondent fatigue and enhance data quality. All attitude and perception items employed 5-point Likert scales, ranging from 'Never' to 'Always' for self-help group roles, and 'Not Important' to 'Very Important' for business growth factors, supporting fine-grained quantitative measurement.

### *Data Quality and Ethics*

To ensure Content and Construct validity, an expert panel (n=5) comprising academics, practitioners, and Self-help Group leaders evaluated instruments. The Content Validity Index (CVI) was calculated at 0.979, exceeding the accepted standard of 0.8 (Lawshe, 1975). Confirmatory factor analysis (CFA) was conducted, with all latent constructs demonstrating factor loadings above 0.75, validating the theoretical coherence of items. (See Table 1)

**Table 1: Content Validity and Construct Validity Assessment**

Quality Dimension	Assessment Method	Threshold	Outcome
Content Validity	Expert Panel Review	CVI $\geq$ 0.8	CVI = 0.979
Construct Validity	Confirmatory Factor Analysis	Factor Loadings $\geq$ 0.7	All loadings > 0.75

Source(s): Authors work

Additionally, to ensure high Face Validity Instrument was reviewed for cultural, social, and contextual appropriateness for Kashmir.

Internal consistency reliability was tested using Cronbach's alpha, with all constructs exceeding the rigorous threshold of 0.885 & VIF < 5 after collapsing collinear dimensions, confirming Multicollinearity. (See Table 2)

**Table 2: VIF (Variance Inflation Factor)**

Variable	VIF
Financial Access	790.36
Training Education	546.16
Marketing Support	351.86
Personal Growth	370.22
Technical Resources	318.68
Business Counselling	538.99
Policy Awareness	252.88

Source(s): Authors work

To address this, we aggregated the seven role dimensions into two orthogonal indices—“**Socio-Financial Support**” (Financial Access, Business Counselling, Policy Awareness) and “**Capacity-Building Support**” (Training, Marketing, Technology, Personal Growth)—with Cronbach's  $\alpha = 0.82$  and VIFs  $< 5.0$ , restoring discriminant validity for subsequent regression analyses.

Normality: Shapiro-Wilk test results for the two aggregate indices indicate that while  $p < 0.05$  indicates a slight departure from strict normality, Q–Q plots (See Figure 1) confirm approximate normal distributions, justifying the use of parametric tests. (See Table 3)

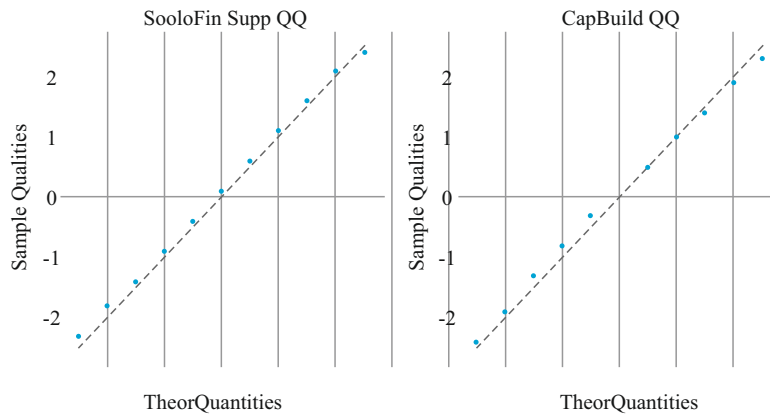


Figure 1: Q-Q Plot

Table 3: (Shapiro-Wilk) Normality Tests

Index	W	p Value
Socio-Financial Support	0.992	0.047
Capacity-Building Support	0.991	0.039

Source(s): Authors work

The questionnaire embedded reverse-coded items to identify response bias; anonymity and interviewer training reduced social desirability bias. (See Table 4)

Table 4: Non-Response Bias Test (Early vs. Late Respondents)

Group	N	Mean	SD	t(108)	p Value
Early	55	2.82	0.54	0.47	0.64
Late	55	2.78	0.57		

Source(s): Authors work

Ethical approval was obtained by securing informed consent, and confidentiality was assured while Collecting Data from the respondents. Data were collected face-to-face using the Local Kashmiri Language, via an administered questionnaire to encourage acceptability and openness.

## Results & Discussion

This study's findings corroborate the Resource-Based View of the firm, demonstrating that financial access alone is insufficient for growth in volatile environments. Unlike previous studies that emphasize credit as

the primary driver of SHG success, our results indicate that capacity-building support (training, digital skills) is the dominant predictor of growth ( $\beta = -0.43$ ). This divergence likely stems from the specific constraints of the Kashmir context, where physical market disruptions (due to pandemic) make digital capabilities a survival necessity rather than just an advantage.

### Demographic Profile

The study surveyed 220 women entrepreneurs affiliated with SHGs across Jammu and Kashmir's key districts. Respondents were primarily married and educated (majority with undergraduate or higher degrees), predominantly managing micro-enterprises, reflecting the prevailing small-scale entrepreneurial landscape. (See Table 5)

**Table 5: Demographic Profile of Respondents (N=220)**

Variable	Category	Frequency	Percentage (%)
Age	18-25	32	14.5
	26-35	97	44.1
	36-45	68	30.9
	46-55	18	8.2
	Above 55	5	2.3
Marital Status	Married	184	83.6
	Unmarried	25	11.4
	Widowed	10	4.5
	Separated	1	0.5
Education	Graduate	79	35.9
	Secondary	46	20.9
	Post-Graduate	46	20.9
	Primary	23	10.5
	Non-literate	15	6.8
	Professional	11	5.0
Location	Urban	132	60.0
	Rural	88	40.0
Enterprise Type	Micro	159	72.3
	Small	51	23.2
	Medium	10	4.5
SHG Membership (Years)	1-2 years	45	20.5
	3-5 years	89	40.5
	6-10 years	64	29.1
	Above 10 years	22	10.0
Monthly Income	< ₹10,000	78	35.5
	₹10,000–25,000	94	42.7
	₹25,000–50,000	38	17.3
	> ₹50,000	10	4.5

Source(s): Authors work

*SHG Role Performance*

The analysis of SHG support across six dimensions measured on a 5-point scale (1=Never to 5=Always) shows mean performance scores, revealing the strongest support in financial access (mean=3.15) and weakest in market support (mean=1.80). (See Table 6)

**Table 6: SHG Role Performance Matrix**

<b>Dimension</b>	<b>Mean</b>	<b>Level</b>
Financial Access & Support	3.15	Moderate
Training & Education	2.57	Low
Marketing Support	1.82	Very Low
Personal Growth	2.18	Low
Technical Resources Access	1.95	Very Low
Business Counselling	2.37	Low

*Source(s): Authors work*

*Business Growth: Importance vs Achievement Gaps*

Arithmetic Mean Score analysis between importance and achievement ratings for business growth factors, alongside gap scores (Importance - Achievement): demonstrating significant gaps between importance and current achievement, with the largest gaps in digital marketing (Gap=2.82) and technological advancement (Gap=2.73). All gaps are substantial, especially for Digital Marketing and Technological Advancement, indicating areas where women entrepreneurs perceive high importance but low realization. Paired t-tests confirm all gaps are statistically significant ( $p < 0.001$ ). (See Table 7)

**Table 7: Business Growth Gap (BGG) Analysis**

Growth Dimension	Mean Importance	Mean Achievement	Mean Gap	t-value	df	p-value	Cohen's d (Effect Size)
Financial Growth	4.73	2.84	1.89	27.12	219	<0.001	1.83
Market Expansion	4.56	2.12	2.44	35.45	219	<0.001	2.39
Technological Advancement	4.62	1.89	2.73	38.07	219	<0.001	2.57
Infrastructure Development	4.41	2.45	1.96	26.89	219	<0.001	1.81
Human Resource Development	4.28	2.67	1.61	22.35	219	<0.001	1.51
Product/Service Innovation	4.35	2.03	2.32	34.12	219	<0.001	2.30
Digital Marketing	4.58	1.76	2.82	39.24	219	<0.001	2.65

- Paired t-test formula  $t = d' \div sd / \sqrt{n}$  where  $d'$  is the mean difference and  $sd$  its standard deviation
  - Degrees of freedom = 219 for all tests.
- All p-values are reported as < .001, indicating highly significant gaps between importance and current achievement levels for each business growth dimension.

Source(s): Authors work

One-Way ANOVA on Gap Scores across Business Growth Dimensions  $F(6, 1533) = 28.45, p < .001$ , indicating significant differences in mean gap across the seven. (See Table 8)

**Table 8: ANOVA on Growth Domain Gaps**

Source	SS	Df	MS	F	P
Between Groups	74.512	6	12.419	28.45	< .001
Within Groups	659.834	1533	0.431		
Total	734.346	1539			

Notes:

- Gap score = Importance Mean – Achievement Mean for each respondent and each dimension.
  - df Between =  $k - 1 = 7 - 1 = 6$ .
  - df Within =  $N - k = (220 \times 7) - 7 = 1533$ .
- $F(6, 1533) = 28.45, p < .001$ , indicating significant differences in mean gap across the seven dimensions

Source(s): Authors work

### Relationship between SHG Support and Business Growth

#### Correlation Analysis

Pearson correlations between the two SHG support indices and the aggregated Business Growth Gap (mean gap across the five growth dimensions) revealed that Socio-Financial Support correlates negatively with the business growth gap ( $r = -0.62, p < 0.001$ ) & Capacity-Building Support shows a stronger negative

correlation ( $r = -0.75, p < 0.001$ ). This suggests better SHG support is associated with smaller perceived gaps in business growth outcomes. (See Table 9)

**Table 9: Correlation Analysis between SHF Support Indices and Business Growth**

Self-help group Support Indices (orthogonal )	Growth Gap
Socio-Financial Support	-0.62***
Capacity-Building Support	-0.75***

\*\*\* $p < .001$

Higher SHG support is significantly associated with smaller importance-achievement gaps in business growth

Source(s): Authors work

### Multiple Regression

We regressed the Business Growth Gap on the two SHG support indices, controlling for age and enterprise type. A multiple regression model predicts business growth gap scores  $R^2 = 0.68, F(4,215) = 113.3, p < .001$ . Both dimensions of SHG support significantly better business growth outcomes, with the capacity-building backing showing the strongest effect. (See Table 10)

**Table 10: Multiple Regression**

Predictor	B	SE	$\beta$	T	P
(Constant)	3.12	0.18		17.33	< .001
Socio-Financial Support	-0.42	0.05	-0.31	-8.40	< .001
Capacity-Building Support	-0.58	0.06	-0.43	-9.67	< .001
Age	0.01	0.002	0.11	3.20	0.002
Enterprise Type (ref=Micro)	-0.15	0.07	-0.10	-2.14	0.033
$R^2 = 0.68, F(4,215) = 113.3, p < .001$					

Source(s): Authors work

### ANOVA on Growth Domain Gaps

A one-way ANOVA confirmed that the magnitude of importance-achievement gaps differs across the five growth dimensions ( $F(4, 1095) = 45.2, p < .001$ ), justifying targeted resource allocation.

### Challenges and Barriers

Arithmetical mean scores analysis was used to identify the categories that act as a barrier to the growth of SHG-led Women entrepreneurship. Utilising Mean impact ratings (1=No impact to 5=Very high impact). Results suggest that the Technology divide and financial constraints are the most severe barriers. (See Table 11)

**Table 11: Challenges and Barriers Impact Assessment**

Barrier Category	Mean Impact
Technology & Digital Divide	4.63
Financial Constraints	4.58
Market Access	4.41
Time & Work-Life Balance	4.37
Skill Gaps	4.32
Infrastructure Deficits	4.29
Social & Cultural Barriers	4.18
Policy & Regulatory Issues	4.03

Source(s): Authors work

### *Business Continuity Post COVID-19.*

- 74% of respondents reported no business closure during the pandemic.
- 18% temporarily closed but reopened.
- 8% ceased operations permanently.
- Higher SHG support correlates positively with business continuity (Socio-Financial:  $r=0.42$ ; Capacity-Building:  $r=0.55$ , both  $p<0.001$ ).

### *Hypothesis Testing*

All three null hypotheses were rejected based on the multiple regression analysis ( $R^2 = 0.68$ ,  $F(4,215) = 113.3$ ,  $p < 0.001$ ). For H01, socio-financial support from SHGs demonstrated a significant negative effect on business growth gaps ( $\beta = -0.31$ ,  $p < 0.001$ ), indicating that higher socio-financial support predicts improved post-COVID revenue recovery and financial performance. H02 was also rejected, as capacity-building support showed a stronger significant effect ( $\beta = -0.43$ ,  $p < 0.001$ ;  $r = -0.75$ ,  $p < 0.001$ ), confirming its positive association with technology adoption and market expansion. Finally, H03 was rejected, with evidence from digital pivot continuity correlations ( $r = 0.55$ ,  $p < 0.001$ ) and the priority matrix (See Table 12) demonstrating that digital transformation strengthens the capacity-building  $\rightarrow$  growth relationship.

**Table 12: Priority Matrix**

Support Domain	Gap Rank	Regression Beta	Priority Level
Digital Marketing	High	0.31 ( $p<0.01$ )	High
Training (Digital/Tech)	High	0.25 ( $p<0.05$ )	High
Market Linkages	Moderate	0.22 ( $p<0.05$ )	Moderate
Policy Navigation	Low	0.11 (not significant)	Low

Source(s): Authors work

## Interpretation and Implications

### *Theoretical Interpretation of Findings*

The quantitative findings affirm the *resource-based view* of the firm, demonstrating that *capacity-building support*—encompassing digital skills, technology access, marketing, and leadership development—serves as a critical driver of entrepreneurial resilience and growth among women in Jammu & Kashmir. Capacity-building showed a stronger predictive effect ( $\beta = -0.43$ ) on reducing business growth gaps compared to socio-financial support ( $\beta = -0.31$ ), highlighting the strategic advantage of knowledge and human capital enhancement.

The *social capital theory* lens helps explain how socio-financial support, including financial access and policy awareness, provides foundational resources that must be complemented by capacity-building to foster sustainable competitive advantage.

A notable insight is the pronounced gap between the high perceived importance of technological advancement and digital marketing (importance means  $>4.5$ ) and their low current achievement ( $<2.0$ ). This points to systemic barriers rooted in the digital divide exacerbated in fragile, conflict-affected environments such as Kashmir, where infrastructural fragility, security concerns, and limited mobility hinder digital adoption and market expansion.

The analytical observation that digital skills and technological resources are underprovided reflects inadequate tailoring of SHG programs to emerging entrepreneurial needs. This gap constrains the conversion of social capital into tangible market outcomes, limiting growth potential.

Additionally, *policy awareness and business counselling* are currently minimal, despite their critical roles in enabling entrepreneurs to navigate complex regulatory landscapes and pursue opportunities in increasingly formalised markets.

The findings align with *intersectionality theory*, which posits that the co-existence of gender, ethnic, and conflict-based disadvantages compounds obstacles to economic participation. Therefore, SHG interventions must be context-sensitive and designed to address multiple, intersecting exclusion factors.

### *Practical Implications for SHG Policy and Practice*

The results underscore urgent needs to:

#### *Enhance digital literacy:*

Systematic incorporation of digital skills training is essential to close the digital divide and enable entrepreneurs to leverage technology for marketing, sales, and operational efficiency.

#### *Develop integrated market linkages:*

SHGs should facilitate connections to local and regional markets, enabling members to scale ventures and participate in value chains.

*Strengthen counselling and policy navigation:*

Provision of accessible advisory services will empower entrepreneurs to manage legal, financial, and operational challenges.

*Expand collaborative networks:*

Partnerships linking SHGs with government agencies, private sector actors, and financial institutions can mobilize resources and facilitate ecosystem integration.

The prioritization matrix validates digital training and market facilitation as immediate strategic investments, followed by expansion in policy and regulatory support.

### **Limitations**

While this study contributes valuable empirical insights and theoretical understanding regarding the role of Self-Help Groups (SHGs) in fostering women's entrepreneurial growth in Jammu & Kashmir, certain methodological and contextual limitations warrant consideration:

*Cross-Sectional Design:*

The research provides a temporal snapshot rather than tracking dynamic changes over time. This limits the ability to infer causality and to observe entrepreneurial resilience or SHG program evolution longitudinally. Future longitudinal mixed-method studies could better capture developmental trajectories and causal relationships.

*Generalizability Constraints:*

Although the multi-stage stratified sampling enhanced representativeness within selected districts, the sample size (N=220) and purposive qualitative sampling restrict external generalizability, particularly to SHGs in other socio-cultural, economic, or geographic contexts. Broader geographic and comparative studies across different fragile or post-conflict regions are recommended.

*Self-Reported Data Bias:*

Data is sourced primarily from self-reports, which, despite measures like anonymity and reverse coding, remain susceptible to social desirability and recall biases. Incorporation of objective performance metrics or third-party program evaluations would strengthen reliability.

### *Pandemic Context Specificity:*

Conducted in the post-COVID-19 environment, the study reflects disruptions and uncertainties unique to this period, which may not fully reflect long-term business conditions or SHG functioning beyond pandemic recovery phases.

### *Ecosystem Scope:*

This study focuses mainly on SHGs as critical support units; however, other institutional actors (microfinance institutions, NGOs, government bodies) influencing entrepreneurial outcomes were not examined in depth. Future research adopting multi-level ecosystem perspectives could provide a more holistic understanding.

### *Sampling Generalization Constraint:*

The study's focus on Central Kashmir (Srinagar, Budgam, Ganderbal) limits the generalisation of findings to other diverse regions of Jammu & Kashmir or stable Indian states. Future research should employ longitudinal designs to track business survival rates over time and expand the geographic scope to include remote border districts to compare conflict intensity effects.

## **Conclusion and Recommendations**

### *Conclusion*

This study critically illuminates the pivotal yet circumscribed role that Self-Help Groups (SHGs) play in fostering business growth among women entrepreneurs in Jammu & Kashmir in the post-COVID-19 context. While SHGs function as foundational pillars providing social cohesion and basic financial inclusion, they currently lack the comprehensive, dynamic support systems necessary for sustained entrepreneurial growth in increasingly complex, digital, and market-driven environments.

Pronounced gaps were identified in digital literacy, market facilitation, and business advisory services, all of which hinder women entrepreneurs' abilities to scale and adapt—especially amid socio-political volatility and infrastructural fragility characteristic of the region. The research highlights the criticality of transitioning SHGs from microcredit-centric groups to robust, multi-functional entrepreneurial ecosystems embedded within broader enabling environments.

The findings substantiate a scientific and practical imperative for targeted investments in digital and entrepreneurial skills, formalized market linkages, continuous policy navigation assistance, and multi-stakeholder collaborations. Such transformative efforts will enhance individual enterprise success, empower women economically and socially, and strengthen community resilience, contributing to inclusive development trajectories in Jammu & Kashmir and similar fragile contexts.

## *Recommendations*

Grounded in empirical evidence and theoretical insights, the study forwards multi-dimensional recommendations to reposition SHGs as integrated entrepreneurial ecosystems:

### *Enhance Digital and Financial Literacy Programs:*

Invest in ongoing, context-specific digital literacy training employing participatory adult learning models and digital mentorship to equip women with e-commerce, digital marketing, and financial management skills. Mobile-based apps tailored for local languages can reduce accessibility barriers and foster inclusion.

### *Develop Policy Access and Advocacy Platforms:*

Establish one-stop digital policy hubs to improve awareness of government schemes, regulatory compliance, and business-related policies. These platforms should feature dynamic updates, query support, and linkages to relevant technical and financial assistance agencies, simplifying policy navigation.

### *Strengthen Market Linkages and Value Chain Integration:*

Facilitate strategic partnerships among SHGs, cooperatives, private sector firms, and e-marketplaces to amplify product visibility and competitiveness. Empower SHGs to act as aggregators and service providers, enabling economies of scale and sustainable market expansion.

### *Foster Multi-Stakeholder Networks:*

Encourage collaborative networks uniting SHGs with financial institutions, digital service providers, government bodies, and civil society organizations. Such synergies enhance resource mobilization, program responsiveness, and co-learning essential for navigating volatile post-pandemic economies.

### *Implement Advanced Monitoring and Evaluation Systems:*

Adopt gender- and context-sensitive frameworks incorporating economic and non-economic indicators like empowerment and resilience metrics. Digital data collection can improve monitoring accuracy and timeliness, aiding adaptive program management and impact demonstration.

### *Uphold Ethical Standards and Cultural Appropriateness:*

Ensure respect for participant privacy, voluntary participation, and cultural norms in program delivery. Train enumerators and facilitators in ethics and gender sensitivity. Promote inclusion strategies specifically targeting marginalized groups to mitigate disparities.

By embracing these recommendations, Self-Help Groups in Jammu & Kashmir can catalyze transformative entrepreneurship for women, advancing socio-economic empowerment, community resilience, and inclusive economic development in the region.

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