



LEADERSHIP EMPOWERMENT THROUGH MICRO ENTERPRISES – AN EMPIRICAL STUDY IN MADURAI DISTRICT

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Abstract

Microfinance is the provision of relevant and affordable financial services to poor households. Micro finance is an effort to provide a wide range of financial services to the poor on a sustainable basis. The micro credit approach based on savings emerged as a popular global approach to combat poverty and it is also seen as a more comprehensive, integrated and viable approach especially to rural development. It envisages the delivery of small loans at full interest without any collateral and repayable in frequent installments. These organizations targeted mostly women owning very little or no land.

Empowerment means giving legal and moral power to an individual in all spheres of life – social, economic, political, psychological, religious and spiritual – which is essential for the survival and overall development of mankind. The dimensions of empowerment are social, economic, legal, political, managerial, cultural, and so on. The empowerment in these aspects leads to total empowerment among women. One of the major reasons for introducing Self Help Groups (SHGs) is to attain empowerment. In this paper, an attempt has been made to study the leadership empowerment among members in the SHGs.

OBJECTIVE OF THE STUDY

- To analyse the leadership empowerment among members in the SHGs through micro-financing in the rural and urban areas before and after joining the Micro Finance Programme (MFP).

METHODOLOGY INCLUDING SAMPLING AND FRAMEWORK OF ANALYSIS

This is an empirical study based on survey. Since commercial banks could not disclose the details of the borrowers of micro credit, the researchers need to adopt purposive sampling. There are 267 branches of commercial banks in Madurai district and all the branches have been included for the study. From each branch, five borrowers of micro credit have been selected with the help of bank officials. Hence, the total sample respondents came to 1335. The actual number of respondents who responded to the interview schedule in all the 13 blocks of the Madurai District were 648. The Confirmatory factor analysis was used in order to examine the reliability and validity of variables and 't' test has been administered to find out the significant difference among the pre and the post MFP regarding the LES among the two groups of respondents.

LEADERSHIP EMPOWERMENT AMONG THE RESPONDENTS

One of the purposes of the introduction of the micro frame is to promote leadership empowerment among the woman members. Leadership qualities are highly essential to succeed in any activities especially business activities. The leadership qualities among the respondents can be measured with the help of various variables related to leadership.

In this research, these variables covered are the ability to listen to others, objective orientation, fairness, sense of humor, self-motivation sharing of knowledge with others, networks, timing, accepting changes, positive team building, optimism, understanding politics, balanced life, thirst for knowledge, adaptability, courage, vision, effective communication and generosity. The respondents were asked to rate these variables on the Five-point scale ranging from 'very high' to 'very low' at their pre and post MFP. The mean score of the leadership variables among the respondents at the pre and post MFP have been computed separately to exhibit the level of leadership qualities among them at two different periods. The 't' test has been administered to find the significant difference between these two periods regarding their leadership qualities. The results are given in Table 1.

Table - 1, Mean Score of Variables in Leadership Empowerment among the Respondents

Sl. No.	Leadership Variables in empowerment	Mean Score among the respondents		't' statistics
		Pre MFP	Post MFP	
1.	Ability to Listen to Others	2.6326	3.8184	-2.8189*
2.	Objective Orientation	2.0884	3.5611	-3.1446*



3.	Fairness	2.4413	2.8145	-0.8668
4.	Sense of Humor	2.6867	2.9664	-0.5192
5.	Self-Motivation	2.3344	3.5163	-2.6811*
6.	Sharing Knowledge with others	2.5641	3.6104	-2.9103*
7.	Networks	2.1145	3.3392	-2.8082*
8.	Timing	3.0844	3.6261	-1.6186
9.	Accepting Changes	2.3346	3.7103	-2.8188*
10.	Positive on Team Building	2.5661	2.9144	-0.7339
11.	Optimism	2.3392	3.4508	-2.6196*
12.	Understanding politics	2.6692	3.6197	-2.8183*
13.	Balanced Life	2.5617	3.4516	-3.1492*
14.	Thirst for Knowledge	2.1144	3.3362	-2.7061*
15.	Adoptability	2.0963	3.4133	-2.8339*
16.	Courage	2.1146	3.2346	-2.9031*
17.	Vision	2.0344	3.0911	-2.5662*
18.	Effective communication	2.1089	3.1144	-2.8186*
19.	Generosity	2.6864	3.5616	-1.9961*

* Significant at 5% level.

Generosity, understanding politics and ability to listen to others are highly performed variables in leadership empowerment among the respondents at the pre MFP since their respective mean scores are 2.6864, 2.6692 and 2.6326. At the post MFP, these leadership variables are the ability to listen to others, accepting changes and understanding politics since their respective mean scores are 3.8184, 3.7103 and 3.6197. Regarding the variables in leadership empowerment, significant changes during the pre and the post MFP have been identified in the case of ability to listen to others, objective orientation, self-motivation, sharing of knowledge with others, networks, accepting changes, optimism, understanding politics, balanced life, thirst for knowledge, adaptability, courage, vision, effective communication and generosity. The analysis shows that there is significant improvement in the leadership empowerment among the respondents at the post MFP compared to that of the pre MFP.

RELIABILITY AND VALIDITY OF VARIABLES IN LEADERSHIP EMPOWERMENT

The score of 19 variables in leadership empowerment have been included for confirmatory factor analysis in order to examine the reliability and validity of variables in it. The overall reliability has been estimated with the help of Cronbach alpha and the results are given in Table 2.

Table - 2, Reliability and Validity of Variables in Leadership Empowerment

Sl. No.	Variables in Leadership Empowerment	Standardize d factor loading	't' statistics	Cronbach Alpha	Composite Reliability	Average Variance Extracted
1.	Self-motivation	0.9045	3.9969*	0.8144	0.7909	56.69
2.	Accepting charges	0.8911	3.7348			
3.	Optimization	0.8733	3.6508*			
4.	Objective orientation	0.8502	3.4549*			
5.	Timing	0.8334	3.3845*			
6.	Thirst for knowledge	0.8179	3.1782*			
7.	Fairness	0.7804	2.9769*			
8.	Adaptability	0.7317	2.7304*			
9.	Networks	0.7245	2.6817*			
10.	Vision	0.7089	2.4914*			
11.	Balanced life	0.6817	2.3889*			
12.	Sense of humour	0.6233	2.1779*			
13.	Team building	0.6022	2.0451*			

* Significant at 5% level.



Out of the 19 variables in leadership empowerment, only 13 variables have been accepted in the Confirmatory factor analysis since factor loading of six variables are less than the standard minimum of 0.6 and their 't' statistics are not significant at the 5 per cent level. The included 13 variables in leadership empowerment explain it to an extent of 81.44 per cent since their Cronbach alpha is 0.8144. The content validity is proved since the standardized factor loading of the variables are greater than 0.60. The convergent validity is proved that the 't' statistics of the standardized factor loading of 13 variables in it are significant at 5 per cent level and the composite reliability and average variance extracted are greater than the minimum threshold of 0.50 and 50.00 per cent respectively. The analysis exhibits the reliability and the validity of variables included in legal empowerment.

LEADERSHIP EMPOWERMENT SCORE (LES) AMONG THE RESPONDENTS AT PRE MFP

The leadership empowerment score represents the measure of the various variables involved in leadership empowerment. It is denoted by the Leadership Empowerment Score (LES). In the present study, it is confined to less than 2.00; 2.01 to 3.00; 3.01 to 4.00 and above 4.00. The distribution of respondents on the basis of their LES at pre MFP is given in Table 3.

Table - 3, Leadership Empowerment Score (LES) among the Respondents during Pre MFP

Sl. No.	LES	Number of respondents in		Total
		Rural	Urban	
1.	Less than 2.00	165	139	304
2.	2.00-3.00	121	58	179
3.	3.01-4.00	58	35	93
4.	Above 4.00	53	19	72
	Total	397	251	648

Table 3 explains the LES among the two groups of respondents. The important LES among the respondents is less than 2.00 and 2.01 to 3.00 at the pre MFP since it constitutes 46.91 and 27.62 per cent to the total respectively. The most important LES among the rural and urban respondents is less than 2.00 which constitutes 41.56 and 55.38 per cent to its total respectively. At the pre MFP, leadership empowerment is very low among the rural and urban respondents.

LEADERSHIP EMPOWERMENT SCORE AMONG THE RESPONDENTS AT POST MFP

The leadership empowerment score among the two groups of respondents at the post MFP is also measured by using the mean score of the variables in leadership empowerment at post MFP. The distribution of the respondents on the basis of their LES is illustrated in Table 4.

TABLE – 4, Leadership Empowerment Score among Respondents during Post MFP

Sl. No.	LES	Number of respondents in		Total
		Rural	Urban	
1.	Less than 2.00	52	2	54
2.	2.01-3.00	59	17	76
3.	3.01-4.00	181	103	284
4.	Above 4.00	105	129	234
	Total	397	251	648

The important LES among the respondents at the post MFP is 3.01 to 4.00 and above 4.00 which constitute 43.83 and 36.11 per cent to the total respectively. The number of respondents with the LES less than 2.00 constitutes 8.33 per cent to the total. The most important LES among the rural respondents at post MFP is 3.01 to 4.00 which constitutes 45.59 per cent to the total. Among the urban respondents, it is above 4.00 which constitutes 51.39 per cent to the total. The analysis shows that the leadership empowerment is higher among the urban respondents than among the rural respondents.

INCREASE IN LEADERSHIP EMPOWERMENT DURING THE STUDY PERIOD

The increase in Leadership Empowerment among the two groups of respondents has been studied with the help of the LES at the pre and the post MFP. The 't' test has been administered to find the significant difference among the pre and the post MFP regarding the LES among the two groups of respondents. The results are given in Table 5.



Table – 5, Increase in LES among the Respondents

Sl. No.	Type of Respondents	Mean Score of LES among the Respondents at		't' statistics
		Pre MFP	Post MFP	
1.	Rural	2.2896	3.2884	-2.8447*
2.	Urban	2.3011	3.9263	-3.9968*
	Overall	2.2941	3.5355	-3.4541*

* Significant at 5% level.

The LES varies from 2.2896 to 2.3011 at the pre MFP whereas in the post MFP, it varies from 3.2884 to 3.9263. There is a magnificent increase in LES among the rural and urban respondents since their respective 't' statistics are significant at 5 per cent level. The rate of increase in LES is higher among the urban respondents than among the rural respondents. In total, leadership empowerment is visibly increasing during the study period.

CONCLUSION

The empowerment of women can be measured with the help of leadership, decision-making, personality, economic, social and managerial empowerment. In this paper the analysis was on leadership empowerment only through micro-finance. Regarding the possession of variables in leadership empowerment, the significant difference at the pre and post MFP is seen in the case of 15 variables out of the nineteen variables in leadership empowerment. The 19 variables included in leadership empowerment explain it to a reliable extent. The leadership empowerment among the respondents at pre MFP is lesser than at post MFP. There is a significant improvement in the leadership empowerment from pre MFP to post-MFP among the rural and urban respondents. The rate of increase in leadership empowerment during the study period is higher among the urban respondents than among the rural respondents.

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