

AN ANALYTICAL STUDY ON PERFORMANCE OF SMALL SCALE SICK INDUSTRIAL UNITS IN KANNIYAKUMARI DISTRICT

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ABSTRACT

India has traditionally always had a very vibrant and competitive small scale sector. Even after the dawn of industrialization, British producers of textiles found handmade Indian textiles such a threat that they lobbied hard to have its import banned, succeeding in the late eighteenth century. After independence, Indian planners and policy-makers felt that protection was essential to the development of a strong, indigenous economy. The Indian state played an integral role in the industrial and economic development of the country resulting in a dominant public sector and heavily regulated private sector. Public policy, immediately post-independence, ensured this through the reservation of certain industries for the public sector and also controlling and regulating the private sector, so as to channel investment into desired areas. The role of the state in the development of the small scale sector has not always been greatly beneficial to the sector itself as will be studied in greater length later in the paper. In this study, the researcher would like to analyze the Performance of Small Scale Sick Industrials in Kanniyakuari district. The primary aim of this study is to understand the Reasons for Sickness and Factors responsible for sickness of SSI units. For that researcher circulate 120 samples in the study area and researcher used percentage, Garret ranking method and chi-square test used for analysis the collected data.

KEY WORDS: Small-scale industries, District Industrial Centre, Multi-functional agency.

INTRODUCTION

Small-scale industries (SSIs) play a very vital role in the economy of each and every nation. Nations firmly believe that rapid industrialization is possible only through a successful policy relating to small-scale industries. SSIs can mobilize a good amount of savings and entrepreneurial skill from rural and semi-urban areas which remain untouched from the clutches of large industries and put them into productive use by investing in small-scale units. The small scale sector which is relatively labour intensive and has short gestation period, plays a vital role in the process, in achieving national objectives like increasing production, providing more employment opportunities, minimizing regional disparities and reducing inequalities in income distribution. The government acts as a catalytic force for the emergence of new entrepreneurs through the provision of infrastructural and other facilities. District Industries Centers were started in 1978 with the aim of providing the entrepreneurs, under a single rood, the necessary and relevant guidance on all matters relating to the industry. DIC is a multi-functional agency which provides the requisite services and support assistance to entrepreneurs by way of technical guidance and other assistance. In this context, it is rewarding to study the performance of entrepreneurs in the light of the packages and programmes of the Central and

State governments on the development of entrepreneurship through the small scale sector in India.

STATEMENT OF THE PROBLEM

This study is relevant, particularly, when the Government is very keen on the promotion and development of this capital sparing and labour intensive sector. It has already been mentioned that a big role is played both by the Public and Private Agencies for the promotion and smooth functioning of the sector. Yet, this sector is not performing up to the expectations of many as it has been suffering from several problems. Therefore, the importance of the present study need not be over emphasized in the light of the fact that different problems are centered in this sector and that this study aims at resolving the varied problems of this sector. The present study attempts to throw light on the varied problems of the small and tiny sectors. Further, the study may help the policy makers to formulate of certain policies in the light of changing conditions to resolve the problems of small and tiny sectors. In Kanniyakumari District SSI are classified on the basis of registered and unregistered industries. Some of these industries are financially down in investment proposes. These industries have to more hurdles. One of the major hurdles faced by small scale industry is lack of labours.

REVIEW OF LITERATURE

Krishnan Vetrive (2021), “Small Scale Industrial Units Past and Present Problems and Prospects”, this study to understand and explain the actual situation of industrial and entrepreneurial development in Tiruchirappalli taluk. It is found that the overall policy and physical environment has been utilized by the entrepreneurs to maximize the benefits. However, it is noticed that due to various reasons some units could flourish while others could not. Hence, it is ultimately concluded from the analysis that, in spite of all the external factors, the individual factors do play more important role in the expansion of the industrial activities. Hence, the IPAs should design, besides the existing policies, innovative programmes to boost the individual psychic capacities and capabilities and play a facilitating role rather than being a provider of benefits. All the relevant details regarding the history, functioning and future growth of the study units have been analysed.

Dr. V. Muthu Raj (2019), “A study on small scale entrepreneurs in Kanyakumari District”, His study concluded from the analysis that new generation entrepreneurs should take knowledge of the entrepreneurial environment with a practical and theoretical understanding of entrepreneurship. Skill up gradation on aspects like marketing strategies should be constantly updated through proper networking facilities. The training on marketing and information technologies would determine the success of the industrial units. The mass media influence on social behavior is quite significant. The present study has gone into an in-depth study of the socio-economic background and personal traits of the prospective entrepreneurs through the performance of small scale entrepreneurs in their industries.

CAUSES OF SICKNESS IN SMALL SCALE INDUSTRY

The different types of industrial sickness in Small Scale Industry (SSI) fall under two important categories. They are as follows:

Internal causes for sickness

We can say pertaining to the factors which are within the control of management. This sickness arises due to internal disorder in the areas justified as following:

a) Lack of Finance: This including weak equity base, poor utilization of assets, inefficient working capital management, absence of costing & pricing, absence of planning and budgeting and inappropriate utilization or diversion of funds.

b) Bad Production Policies : The another very important reason for sickness is wrong selection of site which is related to production, inappropriate plant & machinery, bad maintenance of Plant & Machinery, lack of quality control, lack of standard research & development and so on.

c) Marketing and Sickness: This is another part which always affects the health of any sector as well as SSI. This including wrong demand forecasting, selection of inappropriate product mix, absence of product planning, wrong market research methods, and bad sales promotions.

d) Inappropriate Personnel Management: The another internal reason for the sickness of SSIs is inappropriate personnel management policies which includes bad wages and salary administration, bad labour relations, lack of behavioural approach causes dissatisfaction among the employees and workers.

e) Ineffective Corporate Management: Another reason for the sickness of SSIs is ineffective or bad corporate management which includes improper corporate planning, lack of integrity in top management, lack of coordination and control etc.

External causes for sickness

a) Personnel Constraint: The first for most important reason for the sickness of small scale industries are non availability of skilled labour or manpower wages disparity in similar industry and general labour invested in the area.

b) Marketing Constraints: The second cause for the sickness is related to marketing. The sickness arrives due to liberal licensing policies, restrain of purchase by bulk purchasers, changes in global marketing scenario, excessive tax policies by govt. and market recession.

c) Production Constraints: This is another reason for the sickness which comes under external cause of sickness. This arises due to shortage of raw material, shortage of power, fuel and high prices, import-export restrictions.

d) Finance Constraints: The external cause for the sickness of SSIs is lack of finance. This arises due to credit restrains policy, delay in disbursement of loan by govt., unfavorable investments, fear of nationalization.

METHODOLOGY

This study is an analytical study based on both primary and secondary data. A printed questionnaire is used to collect the information from the owners of SSI units which represent the primary data. The secondary data are collected from books, Journals and websites.

DATA COLLECTION

A specially designed Questionnaire was used to get the information from the respondents. The researcher himself carried out the field work for the study.

SAMPLING

Simple Random sampling is used to collect information from the respondents. For the purpose of study, 120 samples are selected by using lottery method.

ANALYSIS OF DATA

The collected data were analysed with the help of Tables, Chi-square test and Garrett ranking.

LIMITATION OF THE STUDY

This study is limited geographically to a particular district i.e., Kanyakumari District. Also, the small scale industries functioning for a period of less than 5 years also not selected for the study. The researcher is quite sure that some of the informants will not come out with correct facts and figures. Cost and respondent bias is another constraint.

AGE WISE CLASSIFICATION OF THE RESPONDENTS

Table No. 1 : Age

Sl. No	Age group	No. of respondents	Percentage
1	Less than 30	38	32
2	30-45	51	42
3	Above 45	31	26
	Total	120	100

Source: Primary Data

It is inferred from Table No. 1 that 32 Percent of the respondents are less than 30 years, 42 Percent of the respondents are 30-45 years and 26 percent of the respondents are above 45 years.

SEX WISE CLASSIFICATION OF THE RESPONDENTS

Table No. 2 : Sex

Sl. No	Sex	No. of respondents	Percentage
1	Male	108	90
2	Female	12	10
	Total	120	100

Source: Primary data

It is inferred from Table No. 2 that there are 108 male respondents which shows 90 Percent of the total and only 12 female respondents which stands 10 Percent of the total.

MARITAL STATUS WISE CLASSIFICATION OF RESPONDENTS**Table No. 3: Marital status**

Sl. No	Marital Status	No. of respondents	Percentage
1	Married	87	73
2	Unmarried	33	27
	Total	120	100

Source: Primary Data

Table No. 3 reveals that the maximum respondents are married i.e. 87 respondents which are 73 Percent of the total and only 33 respondents are unmarried which stands 27 Percent of the total.

EDUCATIONAL QUALIFICATION OF THE RESPONDENTS**Table No 4 : Educational Qualification**

Sl. No	Educational Qualification	No. of respondents	Percentage
1	SSLC	40	33
2	HSC	12	10
3	Graduates	48	40
4	Others	20	17
	Total	120	100

Source: Primary Data

It is inferred from Table No. 4 that 40 Percent of the respondents are graduates, 33 Percent are having SSLC Qualification, 10 Percent are having HSC Qualification and 17 Percent belongs to other category.

CLASSIFICATION ON THE BASIS OF TYPE OF BUSINESS**Table No. 5 : Type of business**

Sl. No	Type of Business	No. of respondent	Percentage
1	Sole Proprietor	68	57
2	Partnership	36	30

3	Company	10	8
4	Co-op society (others)	6	5
	Total	120	100

Source: Primary Data

It is influenced from the table No 5 that 57 Percent of the respondents are Sole Proprietorship. 30 Percent of the respondents are belongs to Partnership business.8 percent of the respondents are company business.5 percent of the respondents are co-operative society.

EXPERIENCE WISE CLASSIFICATION OF THE RESPONDENTS**Table No. 6 : Experience wise Classification**

Sl. No	Experience	No. of respondent	Percentage
1	Less then 5 years	59	49
2	5-10 years	28	23
3	10-15 years	13	18
4	Above 15 years	20	10
	Total	120	100

Source: Primary Data:

It is inferred from Table No.6 that 49 percent of the respondents have less than 5 years experience. 23 percent of the respondents were having 5-10 years experience.18 percent of the respondents having 10-15 years experience. Only 10 percent of the respondents were having more than 15 years experience.

OWNERSHIP OF LAND & BUILDING**Table No. 7: Ownership of Land & Building**

Sl. No	Ownership of land	No. of respondent	Percentage
1	Owned	68	57
2	Rental	52	43
	Total	120	100

Source: Primary Data

It is inferred from Table No. 7 that 68 respondents has own land for industries which 57 of the total and 52 respondents were in rental land and building which is 43 Percent of the total.

INVESTMENTS WISE CLASSIFICATION OF RESPONDENT**Table No. 8 : Investment wise**

Sl. No	Annual savings	No. of respondent	Percentage
1	Up to ₹ 500000	40	33
2	₹ 500000 ₹ 1000000	68	57
3	Above ₹ 1000000	12	10
	Total	120	100

Source: Primary Data

It is inferred from Table No. 8 that 68 respondents are invested ₹ 500000-1000000 which is 57 Percent of the total and only 12 respondents were invested above ₹ 1000000 which is 10 Percent of the total

NUMBER OF EMPLOYEES WORKING IN THE INDUSTRY**Table No. 9 : Number of employees working in the industry**

Sl. No	No. of employees	No. of respondent	Percentage
1	Below 10	40	33
2	10-20	52	44
3	Above 20	28	23
	Total	120	100

Source: Primary data

It is inferred from Table No. 9 that 33 percent of the respondents have 10-20 below 10 employees in their industry, 44 percent of the respondents having 10-20 employees in the industry and 23 percent of the respondents have above 20 employees in their industry.

ANNUAL SAVINGS OF THE RESPONDENT**Table No. 10 : Annual Savings**

Sl. No	Annual savings	No. of respondent	Percentage
1	Below ₹ 5000	36	30
2	₹ 5000- ₹ 10000	28	23
3	₹ 10000- ₹ 20000	16	13
4	Above ₹ 20000	40	34
	Total	120	100

Source: Primary Data

It is inferred from Table No. 10 that 30 percent of the respondents save more than ₹ 20000 per year which is 23 Percent of the respondents savings are Rs.5000-Rs.10000. 13 percent of the respondents save between ₹ 10000- ₹ 20000 per year.34 percent of the respondents savings are above ₹ 20000.

RELATIONSHIP BETWEEN SOCIO-ECONOMIC FACTORS AND LEVEL OF SATISFACTION

LEVEL OF SATISFACTION OF RESPONDENTS**Table No.11 : Level of satisfaction of respondents**

Sl. No	Nature	No. of respondents
1	High	19
2	Medium	71
3	Low	30
	Total	120

AGE & LEVEL OF SATISFACTION

H₀: There is no significant relationship between age and level of satisfaction

Table No. 12 : Age & Level of satisfaction of respondents

Sl. No	age	Level of satisfaction			Total
		High	Medium	Low	
1	Below 30	21(4)	34(24)	33(1)	38
2	30-45	42(8)	42(30)	43(13)	51
3	Above 45	37(7)	24(17)	24(7)	31
	Total	19 (100)	71 (100)	30 (100)	120

Chi square analysis

Sl. No	Particulars	Values
1	Calculated value	1.796
2	Degrees of freedom	4

3	Table value	9.49
	Inference	insignificant

It is inferred from the above that the calculated value 1.796 is less than the table value 9.49. Therefore the hypothesis is accepted. Thus it is clear that there is no significant relationship between age and level of satisfaction.

MARITAL STATUS AND LEVEL OF SATISFACTION

Table No. 13 : Marital Status and level of satisfaction of respondents

Sl. No	age	Level of satisfaction			Total
		High	Medium	Low	
1	Married	13	52	22	87
2	Unmarried	6	19	8	33
	Total	19	71	30	120

Chi-square analysis

Sl. No	Particular	Values
1	Calculated value	0.341
2	Degrees of freedom	2
3	Table value	7.81
	Inference	insignificant

It is inferred from the above that the calculated value 0.341 is less than the table value 7.81. Thus the hypothesis is accepted. Thus it is clear from the above that there is no significant relationship between marital status and the level of satisfaction of respondents.

EXPERIENCE AND LEVEL OF SATISFACTION

Table No. 14 : Experience and level of satisfaction of respondents

Sl. No	Experience	Level of satisfaction			Total
		High	Medium	Low	
1	Less than 5 years	7(37)	38(54)	14(47)	59

2	5-10 years	5(26)	17(24)	6(20)	28
3	10-15 years	3(16)	5(7)	5(17)	13
4	More than 15 years	4(21)	11(15)	5(16)	20
	Total	19(100)	71(100)	30(100)	120

Chi-square analysis

Sl. No	Particular	Values
1	Calculated Value	6.26
2	Degrees of Freedom	6
3	Table value	12.6
	Inference	Insignificant

It is inferred from the above table that the calculated value is less than the table value, the hypothesis is accepted. Thus it is clear from the above that there is a no significant relationship between Experience and the level of satisfaction of the satisfaction.

FACTORS RESPONSIBLE FOR SICKNESS OF SSI UNITS IN KANYAKUMARI DISTRICT

MEASUREMENT OF VARIABLES

Table No. 15 : Ranking table for Reasons for Sickness

Reasons	Garett Mean Score	Rank
Labour Problems	55.69	I
Competitive Problem	55.11	II
Licensing Problems	54.056	III
Seasonal Problems	53.23	IV
Financial Problems	51.10	V
Other	50.163	VI
Power Problems	49.11	VII
Closing down of Business	48.78	VIII
Economic Problem	48.155	IX
Technological Problems	34.59	X

Sources: Computed Data

It is inferred from Table No. 15 that labour problem ranked first, competitive problems ranked second, licensing ranked third, Seasonal Variation ranked fourth, and various other problems ranked next. Hence it is clear that labour problems in the major problem which influences the Problem in SSI.

REASONS FOR SICKNESS**Table No. 16 : Ranking table for Reasons**

Reasons	Garett Mean Score	Rank
New source of cheap materials	83.71	I
New scientific method to reduce cost of plan	73.13	II
Cheap credit	70.02	III
Technical education/ training and research	69.16	IV
Others	62.85	V
Extension of market	51.41	VI
Government policies and taxation	41.76	VII
Display of products and showrooms and import and different trade centres	43.88	VIII

Sources: Computed Data

It is inferred from Table No. 16 that labour problem ranked first, competitive problems ranked second, licensing ranked third, Seasonal Variation ranked fourth, and various other problems ranked next. Hence it is clear that labour problems in the major problem which influences the Problem in SSI Units.

FINDINGS OF THE STUDY

- ❖ 42 percent of the respondents age is between 30-45 years.
- ❖ There are 90 percent of the respondents are.
- ❖ 73 percent of the respondents are married.
- ❖ 40 percent of the respondents are graduates.
- ❖ 57 percent of the respondents are sole proprietary business.
- ❖ 49 percent respondents have experience less than 5 years.
- ❖ 57 percent of the respondents have own land and building in which they are doing their business.
- ❖ 57 percent of the respondents have invested between ₹ 500000 – ₹ 1000000 as capital and only 10 percent of the respondents were invested more than ₹ 1000000.
- ❖ 43 percent of the industries have 10-20 employees working in their industry and 23 percent of the industries have more than 20 employees.
- ❖ 33 percent of the industry owners are saving more than Rs. 20000 per year and only 13 percent of the respondents are saving Rs. 10000 - 20000 per year.
- ❖ The major factor which is responsible for the sickness of SSI units in Kanyakumari District is labour problems.

SUGGESTION

- ❖ Because of labour problems and technological problems the units were tuned to sick. So the government may take necessary policies and procedures to avoid the sickness.
- ❖ The Government should provide borrowing facilities to owners of SSI units.
- ❖ SSI units should be providing proper training programme to employees.

CONCLUSIONS

In India, Tamilnadu occupies second place in India for number of SSI. In this study it is observed that the labour problems are the major problem for sickness of SSI units in Kanniyakumari District. The sickness of SSI units will be improved by appointing trained employees in these industries. The other remedial measures for sickness of SSI units were licensing problems. This will be possible to improve through government's promotional policies and simplifying the licensing procedures.

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