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PROBLEM FACED BY SMALL SCALE ENTREPRENEURS IN KANYAKUMARI DISTRICT - AN OVERVIEW

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Abstract

Small scale entrepreneurs play a significant role in the overall economic development of our country, since a small scale unit can be established with relatively less capital investment and offer more employment opportunities to those who are skilled, semi-skilled and unskilled workers. In order to protect the interests of this sector and facilitate its rapid growth and its development further, the government, in pursuance of its policies, initiated various support measures from time to time which include the policy of reservation, revision of investments ceilings, modernization, technological upgradation, marketing assistance, financial incentives etc. In Kanyakumari district, Small scale industry is of recent origin. It plays a significant role in the growth and success of a business enterprise in Kanyakumari economy. The study mainly based on primary and secondary data. Major finding of the study, major problem faced by the small scale entrepreneur is financial problem.

Keywords: MSMEs, SSE, Entrepreneurship, DIC.

Introduction

The small scale entrepreneur (SSE) is a life blood of Indian economy in terms of its involvement to the country's industrial production, exports and employment. It is an important and unlimited ability of human being. Small scale entrepreneur have a very important in the overall economic development of our country, since a small scale units can be established with relatively a smaller amount capital investment and offer additional employment opportunities to those who are skilled, semi-skilled and unskilled workers. Small scale entrepreneurs however require a multi dimensional package of assistance for

ensuring accelerated economic growth and development. In Kanyakumari district is industrially backward one. At present there are few medium scale industries functioning in the district. Nowadays, the small scale industries of the district are well developed in nature. At present there are 21 different types of private small scale industries functioning.

Statement of the Problem

Entrepreneurial performance differences from state to state and nation to nation depending on the industrial climate, the availability of raw-materials, resources and the responsiveness of socio-economic systems in the country. Kanyakumari district is one of the

southernmost district in Tamil Nadu. According to the census report of 2011 nearly sixty per cent of the working populations derive employment from agriculture and allied activities. The statistical report of district shows that the industrial centre during 2016-17 nearly 17421 small scale industries was registered. The major small scale industries are Cashew nut industry, Fishnet industry, coir industry, Engineering, Mineral water and Hollow Bricks. The major cause for slow growth of small scale entrepreneurs in Kanyakumari district are very weak financial conditions, lack of infrastructural facilities, shortage of working of capital, shortage of raw materials, lack of modern technologies and marketing problems. Further it would be very interesting to study of entrepreneurship emerging in a district when the government policy and efforts are structured under an impression that the establishment of an industrial unit is easy and the entrepreneurial role is a very attractive one. Therefore, it is necessary to evaluate the problems faced by the small scale entrepreneurs. The present study is an attempt to analyze the various problems faced by the small scale entrepreneurs in Kanyakumari district.

Methodology

The study is mainly based on primary and secondary data. The primary data is collected from the sample respondents in Kanyakumari district. Direct interview method

was used. Primary data is used to get a clear idea of the micro level. The secondary data will be collected from various journals, books, magazine & DIC. Stratified random sampling techniques will be used to select sample for data collection. The total sample size was fixed at 300 in random and the district as the universe-equal chance is given for taluks. There are different types of statistical tools for analysing the collected data the important tools used in the present study are such as, mean, standard deviation, co-efficient of variation and t-test.

Data Analysis

Overall Problems of Small Scale Entrepreneurs

The study aims at assessing the various problems faced by small scale entrepreneurs in Kanyakumari district. A mean score above the neutral point indicates that the respondents have developed the significant problems and vice-versa. It is needless to point out however that a mean score of, say 15, just one point above the neutral point do not indicate definite assessment, as the little difference between the mean and the neutral point may be due to error variance that is bound to occur in any investigation, more so in educational and psychological research. Hence, mean score and the neutral point was tested for significance by applying 't' test. The different dimensions of entrepreneurial problems encountered by small scale entrepreneurs are given below.

Table.1

Problems Encountered by Small Scale Entrepreneurs

Problems	Mean	S.D	C.V.	t-value	Rank
Personal problems	30.31	2.58	6.03	46.29	IX
Marketing Problems	23.41	1.68	4.20	65.55	IV
Finance problem	18.42	1.11	2.42	102.89	I
Production problem	32.89	2.68	7.18	43.28	X
Labour problem	19.99	1.18	3.62	86.34	II
Shortage of Raw material	24.61	1.71	4.47	63.61	V
Lack of family support	35.29	3.09	9.25	18.61	XIII
Technical problem	30.01	2.42	5.32	51.62	VIII
Lack of business information	21.67	1.31	3.87	68.41	III
Lack of experience	29.42	2.01	4.99	57.85	VII
Lack of government Support	37.06	3.11	9.41	12.34	XIV
Lack of training	27.51	1.73	4.73	62.34	VI
Stiff Competition	33.39	2.83	8.41	31.11	XI
Shortage of Power	39.43	3.46	9.88	8.45	XV
Transport and communication	35.11	2.96	8.90	27.62	XII

Source: Computed data, Table value with $df(300-1) = 1.645$, * Significant at 0.05 level.

Table.1 reveals that out of the fifteen problems of small scale entrepreneur, the coefficient of variance of financial problem (2.42) is the least, followed by labour problem (3.62), lack of business information (3.87), marketing problem (4.20), shortage of raw material (4.47), lack of training (4.73), lack of experience (4.99), technical problem (5.32), personal problem (6.03), production problem (7.18), stiff completion (8.41), transport and communication (8.90), lack of family support (9.25), lack of government support (9.41) and shortage of power (9.88). The study further shows that the financial problem is encountered by most of the small scale entrepreneurs as the standard deviation and coefficient of variation for the financial problem is the least.

It is found that the mean scores of financial problem, labour problem, lack of business information, marketing problem, shortage of raw material, lack of training, lack of experience, technical problem, personal problem, production problem, stiff completion, transport and communication, lack of family support, lack of government support and shortage of power are, 18.42, 19.99, 21.67, 23.41, 24.61, 27.51, 29.42, 30.01, 30.31, 32.89, 33.39, 35.11, 35.29, 37.06 and 39.43 respectively. Further, 't' values shows that they are significant at 0.05 level. Hence it is concluded that all the problems taken into consideration have a significant bearing on their entrepreneurial activities.

Major Problems of Small Scale Entrepreneurs

Table.2 Finical Problem

Problems	Mean Score	Rank
Shortage of working capital	122.3	1
Shortage of finance for fixed assets	72.0	6
Hostile attitude of financial agencies	102.6	3
Inadequate assistance from commercial banks	118.6	2
Inadequate assistance from financial institutions	99.6	4
Delay in sanction of loan	81.2	5

Source: Computed data.

The table.2 interpreted that financial problem faced by the small scale entrepreneurs in Kanyakumari district, shortage of working

capital with the mean score of (122.3) ranked I, inadequate assistance from commercial banks with the mean score (118.6) contributed second place, hostile attitude of financial agencies with the mean score (102.6) contributed third place, inadequate assistance from financial institutions with the mean score (99.6) contributed fourth place, delay in sanction of loan with the mean score (81.2) contributed fifth place and shortage of finance for fixed assets with the mean score (72.0) contributed sixth place.

Table.3 Labour Problem

Problems	Mean Score	Rank
Absenteeism	81.4	1
Turnover	75.1	3
High wage rate	79.3	2
Indiscipline	69.4	4
Frequent work stoppage	68.9	5
Training cost	63.7	6
Unionization	59.3	7

Source: Computed data.

The table.3 interpreted that labour problem faced by the small scale entrepreneurs in Kanyakumari district, absenteeism shortage of working capital with the mean score of (81.4) ranked I, high wage rate with the mean score (79.3) contributed second place, turnover with the mean score (75.1) contributed third place, indiscipline with the mean score (69.4) contributed fourth place, frequent work stoppage with the mean score (68.9) contributed fifth place, training cost with the mean score (63.7) contributed sixth place and unionization with the mean score (59.3) contributed seventh place.

The table.4 interpreted that lack of business information of the small scale entrepreneurs in Kanyakumari district, lack of marketing information with the mean score of (107.6) ranked I, non- awareness of government schemes with the mean score (102.1) contributed second place, non-awareness loan information with the mean score (99.8) contributed third place, lack of information about competitors with the mean score (96.4) contributed fourth place, lack of information about modern technology with the mean score (86.3) contributed fifth place and

Table.4 Lack of Business Information

Problems	Mean Score	Rank
Lack of marketing information	107.6	1
Low level of customer information	77.7	6
Non-awareness loan information	99.8	3
Non- awareness of government schemes	102.1	2
Lack of information about competitors	96.4	4
Lack of information about modern technology	86.3	5

Source: Computed data.

low level of customer information with the mean score (77.7) contributed sixth place.

Table.5 Marketing Problems

Problems	Mean Score	Rank
Competition from Big entrepreneurs	64.3	1
Competition from small entrepreneurs	59.1	2
Slackness in demand	54.2	3
Price control	47.6	4
Transport	40.2	5

Source: Computed data.

The table.5 interpreted that marketing problem of the small scale entrepreneurs in Kanyakumari district, competition from big entrepreneurs with the mean score (64.3) ranked I, competition from small entrepreneurs with the mean score (59.1) contributed second place, slackness in demand with the mean score (54.2) contributed third place, price control with the mean score (47.6) contributed fourth place and transport with the mean score (40.2) contributed fifth place.

Table.6 Raw material problems

Problems	Mean Score	Rank
High prices	84.4	1
Scarcity	76.4	3
Transport	70.8	4
Low quality	81.9	2

Source: Computed data.

The table.6 interpreted that raw-material problem of the small scale entrepreneurs in Kanyakumari district, high prices with the mean score of (84.4) ranked I, low quality with the mean score (81.9) contributed second place, scarcity with the mean score (76.4) contributed third place and

transport with the mean score (70.8) contributed fourth place.

Table.7 Problems related to Training

Problems	Mean Score	Rank
Absence of Training facilities	60.5	1
Lack of Trained person	55.5	2
Outdated Training facilities	49.3	3
Low level of Training facilities	40.8	4

Source: Computed data.

The table.7 interpreted that training related problem of the small scale entrepreneurs in Kanyakumari district, absence of training facilities with the mean score of (60.5) ranked I, lack of trained person with the mean score (55.5) contributed second place, outdated training facilities with the mean score (49.3) contributed third place and low level of training facilities with the mean score (40.8) contributed fourth place.

Findings

1. The study express that out of the fifteen problems of small scale entrepreneur, the coefficient of variance of financial problem (2.42) is the least, followed by labour problem (3.62), lack of business information (3.87) and marketing problem (4.20).
2. The study reveals that the financial problem is encountered by most of the small scale entrepreneurs as the standard deviation and coefficient of variation for the financial problem is the least.
3. The 't' values shows that they are significant at 0.05 level, all the problems taken into consideration have a significant bearing on their entrepreneurial activities.
4. The study reveals that financial problem faced by the small scale entrepreneurs in Kanyakumari district, shortage of working capital with the mean score of (122.3) ranked I and shortage of finance for fixed assets with the mean score (72.0) contributed sixth place.
5. The study express that labour problem faced by the small scale entrepreneurs in Kanyakumari district, absenteeism shortage of working capital with the mean score of (81.4) ranked I and unionisation with the mean score (59.3) contributed

- seventh place.
6. The study shows that lack of business information of the small scale entrepreneurs in Kanyakumari district, lack of marketing information with the mean score of (107.6) ranked I and low level of customer information with the mean score (77.7) contributed sixth place.
 7. The study reveals that marketing problem of the small scale entrepreneurs in Kanyakumari district, competition from big entrepreneurs with the mean score (64.3) ranked I transport with the mean score (40.2) contributed fifth place.
 8. The study express that raw-material problem of the small scale entrepreneurs in Kanyakumari district, high prices with the mean score of (84.4) ranked I and transport with the mean score (70.8) contributed fourth place.
 9. The study shows that training related problem of the small scale entrepreneurs in Kanyakumari district, absence of training facilities with the mean score of (60.5) ranked I and low level of training facilities with the mean score (40.8) contributed fourth place.

Suggestions

- ❖ The government should provide liberal

loan for the growth of small scale industries in Kanyakumari district.

- ❖ Proper training should be given to the small scale entrepreneur by experts.
- ❖ To minimize the professional money lender and other non – institutional credit agency activities.

Conclusion

The study concluded that the small sale entrepreneur are the important sectors which are providing vast employment opportunity. The sector mainly suffered from financial shortage and labour problem. So the government must take necessary measure to rectify the labour problem and improve the financial position of the small scale industries.

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