

# ROLE OF ENTREPRENEURSHIP IN SMALL SCALE INDUSTRIES IN SIVAGANGAI DISTRICT OF TAMILNADU

<sup>1</sup>K. Indhu    <sup>2</sup>N. Ramar,

<sup>1</sup>M.Phil Research Scholar, Alagappa Institute of Management, Alagappa University, Karaikudi, TamilNadu, India

<sup>2</sup>Ph.D Research Scholar), Alagappa Institute of Management, Alagappa University, Karaikudi, TamilNadu, India

Email: athithirana94@gmail.com    Email: ramargobimba@gmail.com

**Abstract:** *The Small-scale industries are playing a significant role in the overall economic development of a country like India where millions of people are unemployed or underemployed. Poverty and unemployment are the burning problems of the country today. This sector, small-scale industries solves these two problems through providing with immediate large-scale employment, with lower investments. In a country like India where capital is scarce and the unemployment is widespread, growth of small-scale industries is vital in order to achieve a balanced economic growth. The strength of the small-scale enterprises lies in their widespread dispersal in rural, semi-urban and urban areas, fostering entrepreneurial base, shorter gestation period, and equitable distribution of income and wealth.*

**Key words:** *Small-scale industries, Development, Entrepreneurship,*

## 1. INTRODUCTION:

The development of an economy depends upon the highly motivated achieving tangible growth. The high rate of growth and success of entrepreneurs in the developed economies is illustrative of this. A glimpse into the history of India shows that Indian enterprises and entrepreneurial curtailed by the colonial British Empire. The mere destruction of the Indian handicrafts and village industries during the British rule pushed back the wheels of progress. Growth attracted the attention of Indian planners in recent times. Though the country is committed to give equal opportunity for growth and for reducing regional imbalances, entrepreneurial enterprise was conspicuous the certain regions of the nation. In this chapter, an attempt made to focus on the sustained stability of entrepreneurship in India particularly in Sivagangai district of Tamil Nadu.

## 2. ROLE OF ENTREPRENEUR IN ECONOMIC DEVELOPMENT:

At present, most of the developing economies are primary sector dominated economies and India is no exception. Therefore, there arises a logical base for recognising the role of the industrial sector in the overall economic development of the country. The ultimate aim of economic development is to bring about an improvement in the quality of life of the members of the society. The role of entrepreneur is to produce an environment, which is conducive to the optimum utilisation of the resources like money, labour or material. In a fast-moving world, no firm small or large can survive, if it is not alert and responsive to technological changes. Hence, a speedy and faster economic development is possible only with the help of dynamic and alert many innovations as large firms, relative to the number of persons employed. In a country like India, state and private entrepreneurs exist side by side. The small-scale industrial sector and business are in the purview of private entrepreneurs. The need to promote entrepreneurship in the medium scale and small-scale industrial sectors becomes essential to hasten the rate of development based entrepreneurial class in India.

## 3. ENTREPRENEURSHIP IN TAMIL NADU:

The growth of entrepreneurship in Tamil Nadu is in line with the growth of industries at the national level. Subsequent to the Industrial Policy Statement of July 23, 1990, large, medium and small industrial units complementary role in order to have a harmonious and integrated growth of industries. In order to provide further impetus to the growth of small-scale sector, New Industrial Policy announced on July 24, 1991 and as equal to that the Gove promote and strengthen small, tiny and village enterprises on August 6, 1991. Promotion of entrepreneurship, particularly among women, prompt settlement of small industries bills, special schemes of modernisation, technological up gradation, quality control, integrated infrastructural development, promotion of internal marketing and exports were the packages of measures implemented to promote small-scale industry. The Second All India Census of Small-Scale Industrial Units registered with the Tamil Nadu State Directorate of Industries and Commerce up to March 31, 1988 and falling under the purview of the Small Industries development Organisation conducted by the State Directorate of Industries and the Small Industries Service Institute of Madras.

#### 4. REVIEW OF LITERATURE:

<sup>1</sup>Vibha Sinha (2000) revealed that the hand of women burning to entrepreneurship has been growing many-fold in the region. Most of the women who entered this were first generation women entrepreneurs who shown to have high single mindedness of purpose to achieve perfection in quality of their products, services, and establish their business well. <sup>2</sup>Ajantha Borgohain Raj Kowar (2001) found the entrepreneurs taking up industry form of entrepreneurship in large number. The highest number of entrepreneurship under the group of activities allied to agriculture is in poultry farming and the lowest. Under the group of activities allied to industry, the highest number of entrepreneurship is in kitting and embroidery and the lowest is in crusher plant and phenyl manufacturing. The main problems faced in the development of rural entrepreneurship are illiteracy of the people and inadequate infrastructure facilities. <sup>3</sup>Kalyani and Chandrasekhar (2002) observed that the socio-economic and demographic characteristics have a significant impact in the involvement of women entrepreneurs particularly when it comes to enterprise management. Many of them do receive help from their family members particularly the male members in carrying out various kind of work. <sup>4</sup>Madavi S. Patagonia (2011) spats about how entrepreneurs have access financial help offered by the bank on the performance of the enterprises. The study concludes that there should be improved mechanisms in place in the banks to monitor the effective utilization of the credit by the entrepreneurs.

#### 5. STATEMENT OF THE PROBLEM:

A significant feature of the Indian economy since independence was the rapid growth of entrepreneurship in the small-scale industrial sector. There is an unlimited scope for the growth of entrepreneurship and with a little initiative and assistance, the underemployed agricultural workers can find permanent employment and earn a comparatively large and stable income. Therefore, growth of entrepreneurship in the small-scale industrial units many small industries started in the beginning have been successful and they have expanded as large industrial units.

#### 6. OBJECTIVES OF THE STUDY:

- ✓ To understand the socio-economic levels of small scale industrial entrepreneurs in Sivagangai District,
- ✓ To evaluate the extent variations and levels of growth of entrepreneurs in the study area,
- ✓ To Analyse the problems encountered by the entrepreneurs in Sivagangai District,

#### 7. RESEARCH METHODOLOGY:

This section describes the methodology adopted in the present study, which includes the choice of the study area, the sampling technique adopted, the collection of data, the period of study and the tools of analysis. In order to evaluate the performance of entrepreneurs in Sivagangai district 200 entrepreneurs selected by adopting stratified random sampling method. The entrepreneurs registered in District Industries Centre (DIC) as on March 2017.

#### 8. ANALYSIS AND INTERPRETATION:

**Table 1**  
**GENDER WISE CLASSIFICATION OF THE RESPONDENTS**

S.NO	GENDER	NUMBER OF RESPONDENTS	PERCENTAGE
1.	Male	160	86.00
2.	Female	40	14.00
	<b>Total</b>	<b>200</b>	<b>100.00</b>

(Source: Primary data): It is the understood from Table-1 that 86.00 per cent of the respondents are male entrepreneurs. Only 14.00 per cent of the respondents are women entrepreneurs. The above figures indicate the dominance of male entrepreneurs in the study area.

**Table 1.1**  
**AGE WISH CLASSIFICATION OF THE RESPONDENTS**

S.NO	AGE (in years)	NUMBER OF RESPONDENTS	PERCENTAGE
1.	Less than 30	50	20.30
2.	30 - 40	45	17.00
3.	40 -50	91	50.00
4.	50 above	14	10.20
	<b>Total</b>	<b>200</b>	<b>100</b>

(Source: Primary data)

It is understood from above Table- 2 that the dominant age groups among the respondents are 40, 50 and less than 30 constitute 50.00 and 20.30 per cent respectively. The respondents who are 50 and above constitute 10.20 per cent the respondents who are less than 30 years constitute 20.30 per cent.

**Table 1.2**  
**EDUCATIONAL LEVEL CLASSIFICATIONS OF RESPONDENTS**

S.NO	Levels of education	Number of Respondents	Percentage
1	School Level	50	20.00
2	College Level	120	70.00
3	Technical	30	10.00

**Table 2**  
**PERCENTAGE OF GROWTH LEVEL SCORES IN ENTREPRENEURS**

S.NO	Growth Level	0 – 10%	10 - 20%	20- 30%	30- 40%	40- 50%	50- 60%	60- 70%	70- 80%	80- 90%	90- 100%
1	Fixed Assets	1	2	3	4	5	6	7	8	9	10
2	Owned Funds	1	2	3	4	5	6	7	8	9	10
3	Borrowed Funds	1	2	3	4	5	6	7	8	9	10
4	Working Capital	1	2	3	4	5	6	7	8	9	10
5	Raw Materials	1	2	3	4	5	6	7	8	9	10
6	Product-Mix	1	2	3	4	5	6	7	8	9	10
7	Employment Generation	1	2	3	4	5	6	7	8	9	10
8	Value of Production	1	2	3	4	5	6	7	8	9	10
9	Sales Turnover	1	2	3	4	5	6	7	8	9	10
10	Net Profit	1	2	3	4	5	6	7	8	9	10
	<b>Total</b>	10	20	30	40	50	60	70	80	90	100

(Source: Primary data)

The growth factors the percentage of growth and distribution of score values are one for 0 to 10 per cent 2 for 10 to 20 per cent 3 for 20 to 30 per cent, 4 for 30 to 40 per cent, 5 for 40 to 50 per cent, 6 for 50 to 60 per cent, 7 for 60 to 70 per cent, 8 for 70 to 80 per cent, 9 for 80 to 90 per cent and 10 for 90 to 100 per cent for the factors namely fixed assets, owned funds, borrowed funds, working capital, raw materials, product-mix, employment generation, value of production, sales turnover and net profit respectively from the overall data, it is observed that, the percentage of growth factors individually is from one to ten therefore, the total score values for the ten growth factors are 100.

**Table 3**  
**PROBLEMS OF MARKETING ENCOUNTERED AT PRESENT**

S.NO	Problem	Number one	Number two
1	Competition from Small Units	72	13
2	Competition from Large Units	26	12
3	Slackness in Demand	15	9
4	Other Problems	37	17
5	Number of Units not Specifying the Problem	---	99
	<b>Total</b>	150	150

**Table 4**  
**PROBLEMS OF MARKETING ENCOUNTERED AT PRESENT**

S.NO	Problem	Number one	Number two
1	Shortage of Working Capital	41	11
2	Shortage of Fixed Capital	--	8
3	High Rate of Interest	23	15
4	Red-tape in Government Agencies	--	17

5	Meagre Assistance from Government Agencies	53	30
6	Other Difficulties	31	17
7	Number of Units for Specifying the Difficulties	--	50
	<b>Total</b>	<b>148</b>	<b>148</b>

(Source: Primary data)

It is from Table 5 that 148 entrepreneur's specified number one difficulty and 148 entrepreneurs mentioned the second difficulty. A majority of 53 entrepreneurs mentioned meagre assistance from Government agencies as number one difficulty and 30 entrepreneurs mentioned it as number two difficulty. It observed that the second number one difficulty mentioned by 41 entrepreneurs is shortage of working capital and 11 entrepreneurs have mentioned it as number two difficulty, 31 entrepreneurs complained of other difficulties such as credit sales and delayed settlement of accounts as number one difficulty and 19 entrepreneurs mentioned them as number two difficulty.

## 8. CONCLUSION:

The economic development of a country depends upon the proper utilisation of the available employment avenues. Entrepreneurship is the mode of self-employment. The main problem have been faced by the entrepreneurs are marketing, finance and raw materials and these problems could be overcome by proper strategy and availing of credit from the nationalised banks. Entrepreneurial development wings should arrange for proper training for the development of entrepreneurs. At right time, intervals to develop the right aptitudes in order to promote their business in a profitable manner the government and non-governmental organisations should give incentives and subsidies in order to encourage and motivate the entrepreneurs in the area.

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