

An Analytical Study on The Effectiveness of District Industries Centres in Supporting SSI Units

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ABSTRACT

Small Scale Industries (SSIs) development is critical in enhancing economic growth, job creation and development of the regions. District Industries Centres (DICs) were developed to offer a combination of support and services in order to facilitate the development of SSIs at district level. The current study will use the analytical research design to investigate the usefulness of DICs in the support of SSI units. A total of 230 employees of SSI units were used to gather data in the study using a structured questionnaire. The outcome of ANOVA showed that there was a statistically significant difference in perceptions of various groups of respondents on the role of DICs. The necessity to increase the effectiveness of DICs through strengthening of their operations to be more successful in entrepreneur promotion and facilitation of SSI development.

Keywords: *Small Scale Industries, Industrial, Government, Support.*

I. INTRODUCTION

In a nation like India, where the industrial sector is massive, small firms make up 95% of the units and are expected to provide 40% of the overall industrial production. Approximately 45 percent of the total for exports to India goes to small and medium-sized enterprises. Grocery stores, pharmacies, handymen, bakeries, and other tiny present partible units are examples of small enterprises. The term "small & medium business" refers to privately held companies that operate with a low capital investment, a small workforce, and minimal or no specialized equipment. These companies would thrive on a more compact gadget, allowing them to better serve their communities while still generating profits for their owners. The Indian government uses a company's capacity to invest in plans and machinery as a criterion for classifying it as a small enterprise. The Indian government's official website for businesses, business.gov.in, defines a small firm as one that has an investment in physical assets (such as a building and equipment) of less than one core (Rs. 1 core) in either ownership, rent, or acquisition. When it comes to the economy, small enterprises are crucial. On a daily basis, you see a lot of costly automobiles driving about. Countless small and medium-sized enterprises like this work tirelessly to ensure that you obtain the automobile of your dreams. It has been noted that small business industries throughout the globe provide between 65 and 75 percent of the world's freshness or innovation.

Land, power, water, sales tax, vacations, raw materials, capital, industrial wealth, and tax breaks are just a few of the many benefits that small companies and industries in India enjoy from the government. In spite of sufficient focus, there remains a disparity in the economic growth of underdeveloped regions and small businesses. Schemes and programs vary from one state to another. When taken as a whole, these advantages entice people to support companies and sectors in economically depressed regions. Many indigenous and

hilly regions in India are home to economically and industrially underdeveloped populations, which the Indian government prioritizes. In order to validate and encourage the growth of small-scale enterprises and business units, as well as to propose appropriate plans, committees have been established.

The government has made measures to encourage industry and entrepreneurship because it understands their significance. District Industrial Centres are an offshoot of this. The Indian government's 1977 Industrial Policy Statement promoted the idea of a District Industrial Centre. Initiated on May 1, 1978, the DIC Program sought to improve rural small-scale industry by creating a district-level administrative structure. When people in an area wish to develop their own enterprises, they might get complete help from District Industrial Centres (DICs). The DIC is responsible for carrying out the many programs and projects that the federal and state governments fund. Each state's Special State Government and the federal government chip in equally to fund DICs.

II. REVIEW OF LITERATURE

Velu, Palani et al., (2015) Indian economic growth is highly dependent on the expansion of small businesses because the country is still in its development stage. During the era of globalization, these industries represented a turning point in the transition from outdated to state-of-the-art technology. Because these industries are so diverse, the method's shift variations are also very diverse. Most mom-and-pop stores use very basic tools and procedures. In addition to bolstering the national economy, small-scale industries play an important role in society and politics through providing locals with employment opportunities, maximizing the use of limited resources, turning a profit, and easing the transition of markets.

M, Sekar & Dean, R. (2012) The small scale industry occupies a very important place in the economies of all the developing countries of the world. The primary objective of the Small Scale Industrial Policy during the nineties was to impart more vitality and growth-impetus to the sector to enable it to contribute its mite fully to the economy, particularly in terms of growth of output, employment and exports. This study attempt has been made to analyze the role of DIC in promotion of SSI in India, with special references to Thoothukudi District, Tamilnadu.

Gudala, Syamala. (2012) Small industry plays a key role in the developing economies characterized with scarcity of capital on the one hand and unutilized manpower on the other. Small industry has been attracting the attention of planners and policy makers in these countries in view of highly favorable capital-output ratios and employment potential. In the Indian context it has been aptly described that small industries play a " key role in the country's economic development with their advantages of low investment, high potential for employment generation, decentralization of industrial base and dispersal of industries to rural and semi urban areas. Along with the increase in the number of small scale units there developed a disturbing phenomenon in this sector. A number of units started falling sick and overtime sickness among the small-scale industries was reported to be on the increase. Against this background an attempt is made to study the problems of entrepreneurs in managing the small scale industries.

Rajesh Singh et al., (2010) today, in the age of e-globalization, SSIs are recognized as an essential factor in the growth of economies throughout the globe. Globalization has presented SSIs with several obstacles that hinder their ability to compete. This study's overarching objective is to learn more about the relationship between performance and variables including Indian SSIs' competitive objectives, their competency development efforts, the sectors in which they put their money, and the constraints and hurdles they encounter. To get this data, a questionnaire survey was utilized. In all, 75 responses were considered valid.

Statistical tests such as the t-test, correlation, and reliability analyses are used to the survey data. Findings Reducing costs, increasing quality, and fulfilling timelines are becoming major issues for SSIs. Research and development, employee perks, and market research all account for substantial expenditures. Implementing IT, educating staff, and pursuing innovation are all strongly correlated with performance. Careful resource management and an awareness of the external elements influencing operations are prerequisites for successful strategy formulation for both enterprises and SSIs.

III. RESEARCH METHODOLOGY

Research Design

The study adopts a analytical research design.

Sources of Data

A combination of primary and secondary sources formed the basis of this investigation. District Industries Centre (DIC) papers, journals, and government publications provided the secondary data, while a structured questionnaire was used to obtain primary data from personnel of Small Scale Industrial (SSI) units.

Sampling Technique

Employees of SSI units were selected using a convenient sampling method.

Sample of The Study

A total of 230 respondents comprising employees of SSI units were selected.

Statistical Tools Used

Statistical tools such as percentage analysis and ANOVA are used.

IV. DATA ANALYSIS AND INTERPRETATION

Table 1: Demographic Profile of the Respondents

| | Category | Frequency | Percentage |
|------------------|----------------|-----------|------------|
| Gender | Male | 138 | 60.0 |
| | Female | 92 | 40.0 |
| | Total | 230 | 100.0 |
| Work Experience | Below 5 years | 64 | 27.8 |
| | 5–10 years | 92 | 40.0 |
| | 11–15 years | 46 | 20.0 |
| | Above 15 years | 28 | 12.2 |
| | Total | 230 | 100.0 |
| Type of SSI Unit | Manufacturing | 104 | 45.2 |
| | Service | 78 | 33.9 |
| | Trading | 48 | 20.9 |
| | Total | 230 | 100.0 |

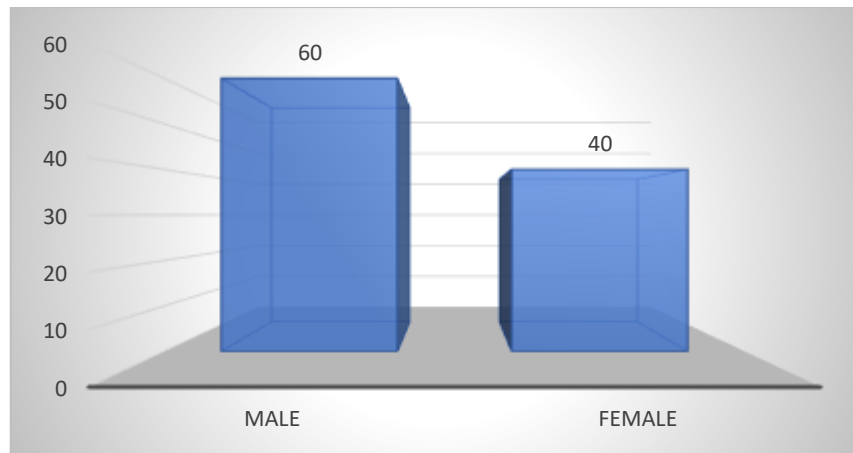


Figure 1: Gender of The Respondents

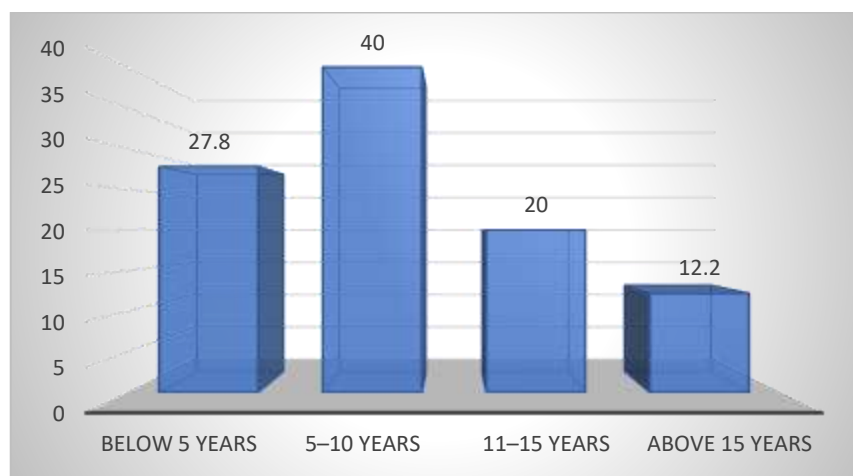


Figure 2: Work Experience of The Respondents

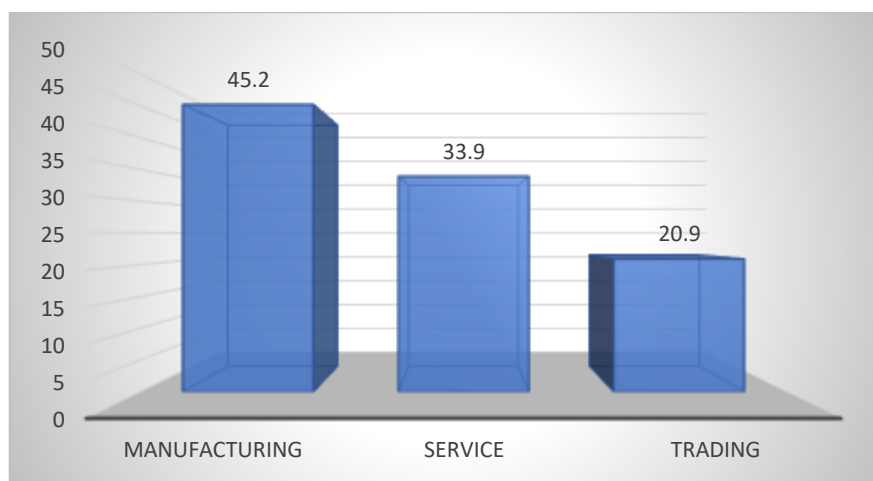


Figure 3: Type of SSI Unit of The Respondents

With 60% men and 40% women taking part, the demographic profile discloses a balanced but marginally male-dominated industry. About 40% of people who took the survey had between five and ten years of professional experience. In the next spot, we have 27.8% of respondents with fewer than 5 years of experience, followed by 20% with 11–15 years and 12.2% with more than 15 years. As far as the classification of SSI units is concerned, manufacturing accounts for 45.2%, service for 33.9%, and trading for 20.9%.

Table 2: Encouragement of the DIC for New Entrepreneurs

| Entry of Entrepreneurs | Frequency | Percentage |
|------------------------|-----------|------------|
| Yes | 83 | 36.1 |
| No | 147 | 63.9 |
| Total | 230 | 100.0 |

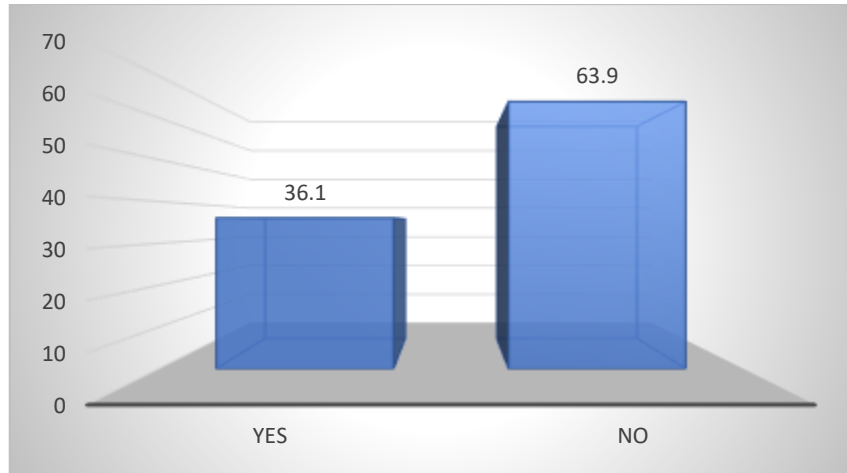


Figure 4: Encouragement of the DIC for New Entrepreneurs

According to Table 2, 63.9% of respondents had an unfavorable impression of the DIC, while just 36.1% thought it helped encourage new business owners.

Table 3: Role of the DIC in Raising Funds

| Raising of Funds | Frequency | Percentage |
|-----------------------|-----------|------------|
| The DIC helps | 185 | 80.4 |
| The DIC does not help | 45 | 19.6 |
| Total | 230 | 100.0 |

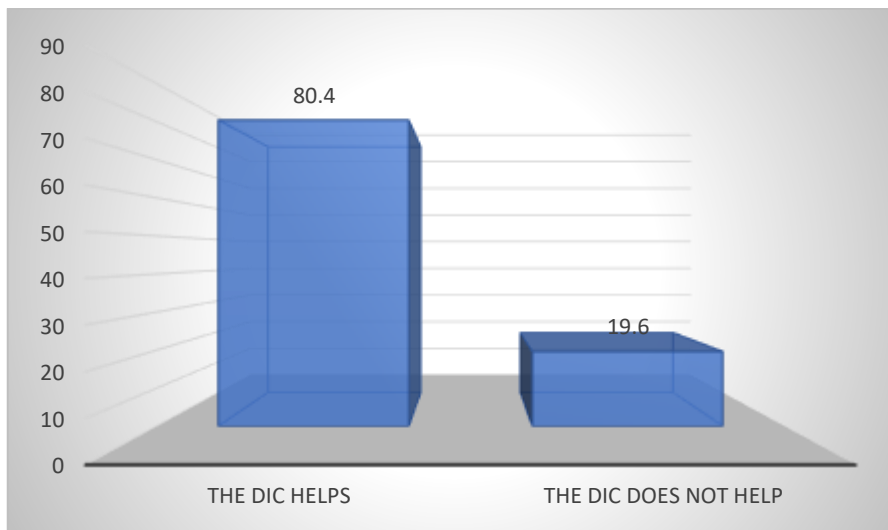


Figure 5: Role of the DIC in Raising Funds

The data in Table 3 shows that most respondents (80.4%) believe the DIC helps with financial resource mobilization, while just 19.6% don't believe it does.

Table 4: ANOVA Results for Perception on Role of DIC

| Source of Variation | Sum of Squares (SS) | Degrees of Freedom (df) | Mean Square (MS) | F-Value | Significance (p-value) |
|---------------------|---------------------|-------------------------|------------------|---------|------------------------|
| Between Groups | 152.64 | 2 | 76.32 | 4.87 | 0.009* |
| Within Groups | 3554.21 | 227 | 15.66 | | |
| Total | 3706.85 | 229 | | | |

Table 4 shows that there is a statistically significant variation in the perceptions of the District Industries Centre (DIC) among respondents, according to the ANOVA findings. At the 5% level of significance, the computed F-value of 4.87 and p-value of 0.009 show that the observed variance between groups is not attributable to chance. This indicates that respondents' opinions of the DIC's efficacy and function vary across demographics (such as gender, years of experience in the workforce, and SSI unit type).

V. CONCLUSION

The research also comes up with the conclusion that the District Industries Centres have an important role in assisting in the growth of the Small Scale industries especially in availing of the financial resources to the industries. Nevertheless, they are not very effective in motivating new entrepreneurs, which is reflected in their perceptions of the respondents. The fact that differences in opinions among the different groups were huge also serves as an evidence of inconsistency in service delivery and outreach. Although DICs have an institutional significance, they should enhance their operational efficiency, awareness, and support mechanisms to support the requirements of emerging entrepreneurs and the current SSI units. They can be greatly improved by strengthening the policy implementation, improving the levels of transparency, and by embracing the contemporary methods of service delivery.

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