Growth and Development of Small Enterprise Consultancy-
Problems and Prospects: A Case Study of Dakshina Cannada District

ABSTRACT
Small enterprise sector plays an important role in the economic development of India. Over 33 lakh small enterprises, spread over rural, urban and semi-urban locations in the country have created a decentralized and large-scale employment opportunity. However, this sector also faces a growing incidence of sickness. One of the causes of sickness is the lack of managerial competency of owner-managers who generally work as solo operators. They appear to be reluctant to engage the services of external consultants to help improve their performance. The performance of small enterprises depends on several factors, consultancy intervention being one of them. The use of consultants appears to be low to moderate, though potential exists in this sector. The impact of consultancy on performance however is less researched area. Hence, this study was initiated.

This study was conducted in Dakshina Kannada district of Karnataka, to understand the problems and prospects of small enterprise consultancy, attitudes and determinants of consultancy and its impact on enterprise performance. It adapted a mixed approach consisting of descriptive and explanatory research, and used survey as well as case study methods. Structured questionnaire was the main instrument to collect the data from the respondent units. Four hypotheses were formulated to meet the objectives of the study.

The major findings of the study were that there was positive relationship between use of consultancy and perceived enterprise performance. Complexity of management was one of the main determinants of consultancy intervention. The study revealed significant and direct influence of use of consultancy on managerial competency of owner-managers. Though attitudinal issues were perceived to be favourable to engage the consultants, the actual use of the same was found to be moderate. However majority of them were using services of Chartered Accountants who were considered as their mentors. Besides, the study observed a potential for managerial and technical consultancy. The competency, trust and confidentiality, and the reasonable fee were identified as the key factors for selection of consultants.

The major research findings together with specific suggestions for owner managers and policy makers, and directions for future research are presented in the body of thesis.