CHAPTER – VI
SUMMARY OF FINDINGS AND SUGGESTIONS

6.1 INTRODUCTION

The success of India’s economic progress is closely linked to its capabilities to manufacture and export quality products in a highly competitive global market. In fact, the changing business scenario in India is influenced by three driving forces – customer, competition and change. The objective of the economic reforms that were initiated in India was to move the economy into a higher growth plane by relying more on market-oriented process.

The process of socio-economic change is an intrinsic part of human civilization. Man has been striving ceaselessly to discover the secrets of nature and thereby benefit immensely in creating a peaceful, rich life for himself and his fellow-beings. Man has benefited by agricultural, industrial and information activities. According to J.K. Galbraith, there are three types of economic development that are currently in vogue. These are symbolic modernization, maximized economic growth and selective growth.¹

The process of economic reforms initiated by the then Congress Government headed by Mr. Narsimha Rao in June 1991² has completed 15 years. Although a period of 15 years is not a very long period to assess the impact of economic reforms, it cannot also be considered as too short a

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period not to merit evaluation. It had an invigorating effect on various sectors of the economy which is now poised for accelerated growth. Industrial production has picked to an impressive rate and in fact is a major contributor to the high growth rates of GDP.

A rewarding feature of economic development in India has been the impressive growth of modern small scale industries. The small enterprises have by now established their competence to manufacture a wide variety of sophisticated goods in different product-lines requiring a high degree of skill and precision. They have made a notable contribution in realizing the principal objectives of expanded employment opportunities, adoption of modern techniques and dispersal of industries in small towns and rural areas. The diversified, rapid growth of these industries has made substantial contribution to India’s economic development in recent years.

Many associations have been formed in various types of small industries. The associations are coming within the meaning of Trade Unions. Among them, the Small-Scale Industries (SSI) Associations are formed to create collective awareness among the members about their rights. The SSI Associations also serve to promote and protect the SSI sectors. The associations were first formed during 18th century, but SSI associations were formed after 1948.

The SSI association is a voluntary body representing the firms engaged in a particular type of business, formed to represent them in negotiation with governments and to promote and develop commercial and
industrial opportunities within its sphere of operation. The main objectives of SSI associations are to promote, protect and project the interest of the SSI sector. The SSI association serves industries to identify, analyse and provide solutions for various issues and problems faced by SSIs through continuous and regular interactions, present these issues to the appropriate authorities through delegations, develop necessary facilities to the entrepreneurs for collection and dissemination of information and organize programmes for content updating and training needs through seminars, workshops and meetings by appropriate agencies. This motivated the researcher to make a study on an industrial association. Hence, the researcher has chosen an association in Madurai district in Tamil Nadu, India, for the purpose of this study.

Madurai is the second largest city in the State of Tamil Nadu. In this district, an association, ‘The Madurai District Tiny and Small Scale Industries Association (MADITSSIA)’ is functioning for the welfare of small-scale entrepreneurs. It is a registered body under Tamil Nadu Societies Act and run by the members of the association selected through a process agreeable to the members. The main objective of the association is to promote and protect the small and tiny industries functioning in Madurai District. MADITSSIA also takes care in community development through fairs and exhibitions. MADITSSIA believes in participatory approach in all their endeavours following right business ethics and standards with a vision of leading the association as a role model to other similar organizations and striving always for continuous improvement and centre of excellence. Hence,
the topic "Working of Madurai District Tiny and Small Scale Industries Association – A Case Study" has been undertaken for research.

This chapter gives the summary of the study, major findings, suggestions, and areas for further research. The summary of the study is presented in the first section. The second section lists out the major findings. The third section presents the suggestions and the last section highlights the areas for further research.

The study has been presented in six chapters. The first chapter deals with the design of the study. It gives details relating to the position and growth of small scale industries in India, Tamil Nadu and Madurai district. It covers areas such as the statement of the problem, review of literature, scope of the study, objectives of the study, operational definition of concepts, geographical area of the study, methodology, and limitations of the study and the scheme of report.

The second chapter details the position of SSI in India and industrial policy after Independence. It also provides details on the role of small-scale and tiny industries in Indian economy under various plan periods. The trend analysis for the performance of SSI in India, Tamil Nadu and number of units in Madurai district are also presented in this chapter.

The third chapter deals with the services provided by the Madurai District Tiny and Small-Scale Industries Association (MADITSSIA) to SSI. It traces the origin and working of MADITSSIA for the development of
SSI units in Madurai district. The trend analysis for the number of members in MADITSSIA is also given.

The fourth and fifth chapters are devoted to present the analyses of attitude of members towards MADITSSIA and their opinion on the services rendered by MADITSSIA. A sample of 200 industries from direct members list and 100 industries from indirect members list have been selected by using proportionate stratified random sampling method. Appropriate statistical tools like percentile analysis, factor analysis, ranking method and Kolmogorov Simirnov (KS) test have been applied for analyzing the data.

The major findings of the study are given in the following paragraphs.

6.2 FINDINGS OF THE STUDY

The following are the important findings of the study.

6.2.1 Attitude towards the Association:

1. In the study, out of the 200 sample direct members, 99.5 per cent manage small industries and out of the 100 sample indirect members, 93 per cent manage small industries. The rest of the respondents are operating the tiny industries.

2. The study shows that most of the members, i.e. 80 per cent of direct members and 76 per cent of indirect members, are owning manufacturing industries.
3. The number of institutional members of MADITSSIA is significant from Madurai Hosiery Industries Association, Tamil Nadu Air Stove Manufacturers and Sellers Welfare Association, and Plastic Manufacturers Association.

4. The analysis of sources of awareness shows that majority of the direct members (49%) had known about MADITSSIA through their friends and relatives and a very insignificant number of direct members (5%) had known through news papers and journals.

5. The study shows that 32.5 per cent of the direct members have been members for a period ranging between ‘6 and 15 years’ and only three per cent are members for a period of ‘above 35 years’.

6. The sources of influence indicate that 51 per cent of the direct members are influenced out of their own interest to join in MADITSSIA.

7. Though there are six types of membership, most of the direct members (93%) are in the category of unit member.

**6.2.2 Attitude towards Trade Fairs and Exhibitions:**

1. The study reveals that only 17.5 per cent of direct members and 22 per cent of indirect members have participated in the MADITSSIA’s trade fairs and exhibitions.

2. Out of the various trade fairs conducted, the 'Ideal Home Exhibition' attracted more participants. Hence, first place is given to this factor.

3. The difficulties faced by most of the direct as well as indirect members are 'high rent' charged and this factor got the first rank. 'More rush' is indicated as second by them.
4. Most of the members (i.e. 60% of direct members and 45.45% of indirect members) had known about the details of MADITSSIA’s fairs through the invitation sent by the MADITSSIA.

5. The study shows that 45.71 per cent of direct members and 31.82 per cent of indirect members were influenced out of their own interest to take part in MADITSSIA’s fairs.

6.2.3 Attitude towards MADITSSIA Bulletin:

1. All the direct members and only 8 per cent of indirect members were in the habit of reading MADITSSIA bulletin.

2. General articles published in MADITSSIA bulletin are mostly preferred by the readers and hence this factor obtained the first rank.

3. Majority of the readers expected articles like ‘entrepreneurs success stories’ in the bulletin and this factor was ranked as first by them.

6.2.4 Attitude towards Business Information Centre (BIC):

1. The study depicts that 61.5 per cent of direct members and 63 per cent of indirect members visited the BIC.

2. Most of respondents pointed out that only old books and journals were available in BIC and this was the main difficulty faced by them. They also pointed out about the high charges. These two difficulties were ranked first and second, respectively.

6.2.5 Attitude towards MADITSSIA Club:

1. The study elucidates that only 23.5 per cent of the direct members joined as member in MADITSSIA club.
2. All the respondents and their family members liked to take part in the club programmes.

3. More number of club members and their family members preferred to participate first in yoga class and next in the cultural programmes organized by MADITSSIA club.

6.2.6 Attitude towards MADITSSIA – SIDBI Industrial Clinic:

1. The study reveals that only 35.5 per cent of direct members and 28 per cent of indirect members have participated in the programmes organized by MADITSSIA – SIDBI Industrial Clinic.

2. Most of the members preferred to participate first in awareness programme conducted by Industrial clinic. Secondly, the direct members liked to participate in programmes in the area of taxation and indirect members liked to participate in programmes relating to import and export.

3. The analysis of sources of awareness about industrial clinic programmes revealed that the members came to know about MADITSSIA (70.42 per cent of direct members and by 46.43 per cent of indirect members through its bulletin.

4. Majority of the members i.e. 71.83 per cent of direct members and 53.57 per cent of indirect members have participated in 'one to 5 programmes' organized by the industrial clinic.

5. The analysis of sources of influence for attending industrial clinic programmes reveals that majority of the members, i.e. 78.88 per cent
of direct members and 46.43 per cent of indirect members were influenced on their own interest to attend the programmes.

6. The consultancy services are availed only by a small number of members, i.e., 11.5 per cent of direct members and 11 per cent of indirect members. The study discloses that most of the respondents availed the consultancy services in the field of taxation. Hence, it is ranked as first.

7. Majority of the members (73.91% of direct members and 63.64% of indirect members) have availed consultancy services for only one time from industrial clinic.

6.2.7 Factors Influencing Members' Attitude towards MADITSSIA:

The principal component method of factor analysis has been used to analyse the factors influencing member's behaviour towards MADITSSIA and Kaiser's Varimax criterion has been used to rotate the factor matrix.

1. The result of analysis for the reasons for joining in MADITSSIA has given six factor solutions. The factors account for 63.48 per cent of total variations and all the variables have high communality, indicating that the variables within each factor have very high association among them. The variables 'Business exchange' (0.743) and 'Good advocacy' (0.615) have been loaded with more than 0.505 and it has Eigen value of 1.392. It implies that these variables mainly influenced the members to join in MADITSSIA and the hence association should concentrate on these issues to motivate more number of SSI units to join as member of MADITSSIA.
2. The reasons for participating in trade fairs and exhibitions have depicted three factors. These factors are named as development factor, promotional factor and informational factor. The first factor has six variables which had influenced the members to participate in trade fairs and exhibitions. It accounts for 48.408 per cent of variance and its Eigen value is 4.841. It indicates that the variables in the factor are highly stimulating the members to take part in MADITSSIA’s trade fairs and exhibitions.

3. The analysis for the reason for visiting the BIC has revealed seven factor solutions. The factor accounted for 74.429 of total variation and all the variables have high communality. The first factor has an Eigen value of 2.106. The result indicates that the variables in the factor had mainly influenced the members to visit BIC. The association may concentrate in these areas to stimulate the members to visit BIC regularly.

4. The result of analysis for reasons for joining in MADITSSIA club has shown four factors. The first factor has three variables, viz., ‘to relief from business tension’ (0.916), ‘attending yoga classes’ (0.894) and ‘due to friends and relatives' suggestions’ (0.677) and are loaded with more than 0.505 in the first factor. It accounts for 37.681 per cent of total variance and the Eigen value is 3.768. The result shows that these factors are highly influencing the members to join in MADITSSIA club. Hence, the association may give due attention to these factors to motivate the members to join in MADITSSIA club.
5. The result of analysis for reasons for participating in industrial clinic programme has pointed out three factors solution. The first factor has five variables, loaded with more than 0.505 and its Eigen value is 3.292. The factors account for 73.313 per cent of total variance and all the variables have high communality, indicating that the variables within each factor have very high association among them. The result indicates that these factors had influenced the members to attend in industrial clinic programme. The association must give due concentration to these factors to motivate the members to attend the programmes.

6.2.8 Opinion of Members towards MADITSSIA Services:

The overall opinion of the members towards MADITSSIA and its activities and services has been analysed. The formulated hypotheses have been tested with the help of Kolmogorov Smirnov (KS) test. For this purpose, 40 statements were given. The calculated values are greater in all the statements than the table value. Hence, the entire hypotheses framed have been rejected. As such, it can be stated that there is difference in the importance of ratings given by the respondents.

6.3 SUGGESTIONS

Based on the findings, the following suggestions are offered for strengthening the activities of the association.
1) **Increasing the Number of Members:** The main strength of every association is its numerical strength of members. Hence, the association should motivate every small and tiny industrialist to join as members.

2) **Reduction of Charges:** Most of the members opined that the association is collecting high subscription, service charges and stall rent. Hence it is suggested that the association should take necessary steps to reduce these charges.

3) **Different Types of Programmes:** All the associations, federations and chambers of commerce are organizing the very same type of programmes. Hence, it is suggested that the association should organize different types of programmes according to the interest and need of the members.

4) **Support of Rural Industries:** The rural masses are unaware of the developments happening in the country. They do not have any idea about starting an industrial unit. Even the one who started SSI unit is not able to manage it well. They do not have any other similar SSI in their vicinity to clarify their doubts. The association should take necessary steps to develop industries in rural areas and should support them in all respects.

5) **Eradication of Unethical Practices:** The small-scale industrial units produce essential goods and services. But because of their aggressive attitude in maximizing profit they resort to many unethical practices such as adulteration, under-weighment, over pricing, hoarding and profiteering, discriminatory pricing, etc. With a view to overcoming such hardships, it is
suggested that the association should educate its members to follow the fair trade practices. The association should emphasise among its members the need to manufacture good quality products.

6) Skilled Personnel: The SSI units are directly in need of skilled persons to undertake various industrial activities. Most of the workmen develop their skills only through on-the-job training. This makes the manufacturing activity imperfect and the quality of the finished products is not good. If there is frequent labour turnover, the workmen move from one unit to another frequently paralyzing the industrial activities of the small-scale industrial units. Hence it is suggested that the association should conduct short-term courses for the newly recruited workers and unemployed persons. This generation of skills among the newly recruited workmen and unemployed persons will enable the SSI units to have plenty of workmen with varying skills. As a result, the pace of industrial activities will get accelerated.

7) Revival of the Sick Units: There are various factors causing industrial sickness, viz., faulty initial planning, lack of entrepreneurial skills, infrastructural bottlenecks, insufficient factoral endowments, inefficient management practice, changes in general economic conditions, poor financial control, poor marketability, etc. With a view to revive the sick units from these problems, the association should take necessary corrective action for sick or prone-to-sickness units. If a sick unit cannot be retrieved, it should help to wind up and to start a new industry.
8) Setting up of Laboratories: As the government provides testing centers scheme, grants assistance up to a 50 per cent or Rs.50 lakhs, whichever is less for setting up testing centers for industrial associations, the association should start testing centre, designing centre and research and development laboratories for the development of SSI units.

9) Co-operation with Other Associations: The association should exchange information, views, suggestions with other associations and chamber of commerce and should act jointly in dealing with the particular issue.

10) Process of Continuity and Growth: The association should also nurture the feeling of fraternity and they should also have a relook at the situation and should see what is happening world over and provide encouragement in all spheres. Tiny industries should be enabled to grow into 'small industries' and small industries to become 'medium enterprises' and ultimately turn into 'large companies'.

6.4 AREA FOR FURTHER RESEARCH

The present study will also pave the way for undertaking similar studies in the area of management of SSI associations. Based on the experience of the researcher the following important issues have been identified for an in depth study and thorough probing in future.
1. "The Comparative Study of Performance of Various Trade Associations Operating in different Districts of Tamil Nadu" can be undertaken to study the performance.

2. "A Study on the Problems and Prospects of Trade Association" can be undertaken to identify the various problems faced by the association and to provide remedial measures.

The researcher will feel amply rewarded if the present study paves the way to undertake the different studies suggested above and other relevant studies.