Chapter No. 3:

REVIEW OF THE PAST LITERATURE
Review of past literature and conceptual framework:

In order to undertake the research study and to know the impact of globalization on Small Scale Industrial Units situated in Pimpri-Chinchwad MIDC area as it was decided to study the existing relevant literature in this regard. Therefore, as an essential part of the present research, the very first step was to study the existing relevant literature in this regard and trace the history of Small Scale Industrial Units. It also becomes a permanent landmark in the research in commerce and management.

Therefore, to know and understand the conceptual framework of impact of globalization in relation to Small Scale Industrial Units with special reference to such units situated in Pimpri-Chinchwad MIDC area, the existing literature in the form of books, existing research work on this and related topics, journals, newspapers, internet and magazines were studied. It was thought that the literature would give more conceptual clarity pertaining to the philosophy, practices, systems, theory, application, and advantages.

Exploring the existing literature helped in formulating the hypothesis for this study. The focus of the review of the literature is on the subject particularly trying to know, gauge and understand the impact of globalization on Small Scale Industrial Units which are situated in Pimpri-Chinchwad area. It also focuses on the productivity, quality of the products, performance and efficiency of the workers of the organizations. Since not much of literature was available to throw the light on these issues pertaining to many Small Scale Industrial Units in Pimpri-Chinchwad MIDC.
where it was decided to undertake this study. Pimpri-Chinchwad MIDC Small Scale Industrial Units were more representative of the Indian Small Scale Industrial World.

The impact of globalization on Small Scale Industrial Units is an outcome of work done under "a study of impact of globalization on small scale industrial units in MIDC-Pimpri-Chinchwad area" is undertaken by going through the existing literature.

The following type of literature was studied and the same has been included in this chapter:

3.1: In the research article entitled "Marketing challenges for Small and Medium Enterprises in the post WTO Era" J.S Panwar pointed out that in practice, all SSI units have to make their own arrangements for identifying the markets, prospecting the customer, involving the intermediaries in distribution, arranging the logistics and finally selling the products. This is more essential if the firm wants to sell under its brand name. Self-making also involves arranging for advertising and promotions.

In the post WTO era competition is unavoidable. With the de reservation of industries and lowering of import duties small scale units will have to face competition not only from the well organized medium and large scale industries but also from multinationals. In the absence of a strategy, this could be real threat for their existence.
3.2: *S. Revathy* pointed out in his paper that the process of liberalization of Indian Economy since 1991 has credit many opportunities for growth as well as thrown light on many challenges to the SSI Sector. The opportunities for the growths are of SSI in this new era of globalization are Credit for the sector, Access to international market, Easy availability of raw materials and Increased sales volume.

An opportunity of small-scale sector in the context of globalization is well followed by many challenges faced by these sectors. Since industries in this sector are small in size but large in number, the hope is that they would successfully meet these challenges through technology up-gradation and modernization, maintaining quality standards, research and development and hiring human Resources. As a positive result of globalization the SSI sector take all the opportunities as advantages and meet as well as all the challenges as a stepping-stone for the development in future.

3.3: *Choodambigai and Om Shyamala* (2002) in their article entitled “Small Scale Enterprises: Problem and Prospects” studied that under the policy measure for promoting and strengthening SSI’s and tiny industries, it has been enunciated that adequate and equitable distribution of raw materials, problem of free production processes, advanced technology and infrastructural facilities, would be ensured to small sector. Thus, there is a significant change in the overall strategy for a SSI development. It may be too early to judge the sufficiency of strategy to bring out the desired outcome. But internationally rapid technological changes are revitalizing the SSIs’ and it is perceived that future role & SSIs’ will be based on competition,
productivity and efficiency. In this context, the shifting policy emphasis in India is a welcome change.

3.4: Jadhav Asha presented her paper on “Sickness In Small Industries: Causes and Remedies” in the seminar held by the Ness Wadia College, December, 14, 2002 stated that sickness is an important problem, which is faced by entrepreneurs, government, financial institutions and the society. Sickness in small scale units can affect employment potential and productivity of an economy. Therefore, it should be detected at an early stage. An entrepreneur must adopt the concept of turnaround management. He should notice the signals of sickness. He should be ready to introduce changes in the organization. He should not get frustrated by the failure but must be professional in his approach in order to deal with the problems of sickness. An entrepreneur’s efforts should be accompanied by the co-operative attitude from the financial institutions and the government, in solving the problems of reducing the sickness in small-scale sector and rehabilitation of sick units.

3.5: Dr. Badade Kunal and Dr. Sagar P.N. in their study entitled “Impact of globalization on Indian small scale Industries” (2002) found that the process of globalization may be implemented gradually by Indian government for the sake of the small scale sector, small scale industrial sector should be given enough time to change, to reform and to improve by themselves.

To safeguard the interest of the small scale industries, India along with other developing countries should also convince the WTO insisting the need for retention of quantitative restrictions and other trade barriers for import of goods for some time.
Such measures and supports on the part of the government are required for small-scale industries to ensure their continuous existence and their prosperous development.

Hence, globalization has all of a sudden created a situation in which foreign firms may be benefited by entering into the Indian market, while we call to small scale industrial units to come up to global standards of technology, productivity and marketing to complete with the rest of the word is not going to bear fruits. The small-scale industrial unit, with a few exceptions, cannot be expected to enter into full-fledged race against well-trained and experienced competitors while they are still in the crawling stage.

3.6: Shinde D.B. (2002) in his article entitled "India Small Scale Industries and Globalization" studied that for the success of SSIs' following measures are to be properly implemented:

1) A facelift both in terms of cost & quality is required.

2) Uniform product standards for both domestic and export market are to be maintained.

3) Due emphasis on innovation, adaption, absorption, assimilation, delusion of technologies is essential.

4) The SSIs should allocate a large budget for carrying out intensive research and development of indigenous technology.

5) Policy of establishment of Industries of higher learning for strategic development, forecasting long-range technology needs & dissemination of technology information.
6) Productivity is to be toned up.
7) Modernization programmers should be carried out.
8) Attractive marketing techniques should be introduced.
9) Brand name of the produce should be popularized through aggressive advertisement.
10) To be internationally competitive, domestic, industry has to develop the home market initially.
11) Export sector especially SSIs should form an important ingredient of the national macro economic aggregate. All over sectors like banking, research and development, transport and communication should be integrated with the export sector.
12) Developing countries should focus on creating a stable low inflation environment where foreign exchange regulations permit profit and capital remittance as well as import and export transactions.

If all the above mentioned measures are property implemented with devotion, dedication and determination, it is define that it will not only avert sickness of industries in the long run and also accelerate industrial growth, development of backward areas and promotion of employment opportunities.

3.7: The study was conducted on “Globalization and SSI units” by Dr. Shivkumar J. Giram (2002) in which he concluded that existence and development of any industrial unit depends upon market for its product. He suggested to check the impact of globalization by following measures:
1. The SSI units should care for quality of product and strive for cost control.
2. The SSI units which have already created market, should strive to maintain it.

3. The SSI unit which totally depends on the agricultural product, for which India has monopoly due to natural climate, should take advantages of it, as the process of globalization should not affect it.

4. It is essential to undertake research and development for the products to stand in the competitive market.

5. In the marketing strategy SSI units should highlight the points regarding foreign goods, after the sales service difficulties, that it would be difficult for them to approach the dealer (as no dealer gives the guarantee for the quality of foreign good) or manufacturers for their complaints regarding the product and have after sales services.

3.8: Dr. Sarwade W.K. 36 (2002) from his article “SSI in New Millennium in Global Perspective” has concluded that the Indian small scale industry faces several challenges due to its technological obsolescence, product quality, information technology and inadequate management quality, information technology and inadequate management system. The achievement of next millennium mission demands that the small industry adopts coherent strategies and equip itself with strategic business tools like:

a) Understanding the role of partnership and new corporate alliances

b) Partnership sourcing

c) Capitalizing on exports

d) Technology a competitive tool

e) Understanding the E-Zone

f) Understanding WTO and its imperatives.
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3.9: The study was conducted by Basargekar A.G.\(^5\) (2002) entitled ‘Globalization and SSI’. In which he pointed out that SSI units are playing very important role in Indian Economy. In the past, Indian economy was protected by high tariffs and now it is gradually moving towards globalization. He concluded that the future of SSI sector is very bright, provided our old and young entrepreneurs change their mindset and adapt to changing circumstances of paradigm shift in business activity from local to global, and search for opportunities by developing visionary aspect, accepting new challenges, adopting ethical values, looking towards long term benefits and striving for excellence. This will lead them for better prosperity, which is the real meaning of globalization.

3.10: In the article entitled “Globalization and Small Industry Failures” by Chandrashekhar S.F.\(^6\) (2002) found that knowledge management is not panacea for all problems of modern organizations. However, systematic adaptation, persistence and patience in its implementation would definitely help individuals, teams & organizations. Organization should assess the benefits and risks of knowledge management for their organization in the light of change in attitude and behavior of the people. Companies therefore will have to think of intervention techniques, which can help in creating the desired work culture for managing knowledge.

3.11: Shaha N.V.\(^3\)\(^7\) (2002) studied “Globalisation and Small Industry-Threats and Opportunities”. According to his study the globalization is looked upon as a blow to SSI sector in India. It has created the following threats before the SSI sector:

   a) Globalization kills small industry.

   b) Dumping of goods.
c) Decline in demand for various goods.

Globalization has provided certain opportunities to SSI as follows:

a) Increasing exports.
b) Service sector growth.
c) Action plan for future.

Today, globalization has become a reality and no country can run away from it. India could face globalization challenges and turn the threats created for SSI sector into opportunities if the following strategy is adopted...

- Increasing productivity
- Technological up-gradation
- Marketing and brand development
- Skill development
- Improving the infrastructure
- Proper understanding of WTO provisions
- Enforcement of WTO provisions, and
- Changing the mindset.

India should learn from the Chinese lesson and formulate its strategy for strengthening the small & medium enterprises, promoting their competitiveness and productivity. “Excellence in adversity” should be our mantra for future development. Then only the small-scale industries sector will emerge as ‘an engine of growth’ in the new millennium.
3.12: Dr. Throat H. D., Dr. G. T. Sangle and Dr. N. L. Jadhav\textsuperscript{45} (2002) conducted a study entitled "Impact of Globalization on Small Scale Industries in India". They studied the present position of SSI units in India, the problems of SSI in India, and the impact of globalization on SSI in India, they also mentioned in their study that in the context of globalization the SSI units in India must have to accept all the challenges. If the SSIs have to survive and play a useful and productive role in the country it is the right time to strengthen the SSIs in India have the potential to play a major role in alleviating poverty cannot be underestimated. If the SSIs are brought back on the road of progress and are allowed to exploit vast potential, the poverty of India’s teeming millions could be turned into prosperity, they firmly believe that the SSI sector of India will also lead the other nations and show the path of prosperity to the world in the next millennium, being the main source of economy and employment generation.

3.13: A study conducted by Sardana G.D.\textsuperscript{35} (2004) on "Determinants of SME Success: Formulating a Business Strategy" in which he mentioned that SMEs are mostly family owned organizations operated by entrepreneurs who are not exposed to management education. Globalization and the liberal trade policies permitting unrestricted imports has ushered in a customer driven market. The subsidies and state protection to the small industry has been withdrawn. The industry has to defend and save its existence. However, explosion in knowledge based industry and the service sector has created simultaneously, new opportunities. Many of these challenges are best suited for the strengths of the small-scale sector. These strengths lie in low costs, high responsiveness to customer needs, flexibility and high motivation of employees. Lack of finance and deficient controls on receivables are major weaknesses. The
paper explores these issues and makes a strong plea for formulating a business plan to exploit the strengths and transform the weaknesses to advantages.

3.14: The study entitled “The Role of Tamilnadu Small Industries Development Corporation” (SIDCO) in Madurai District was conducted by Dr. S Ramasamy and K Raja Alias Pranmatai. They tried to understand the performance of the scheme run by SIDCO in Madurai District by and large was good. In order to develop the industries in backward areas and to create employment for the rural educated and unemployed youth, the SIDCO should establish exclusively industrial estate and zones for rural youth and women.

3.15: In the research article entitled “Globalization—challenges to SSI Units” written by Dr. Mrs. Shantha B. Kurup (2002) stated that while the challenges are no doubt formidable, there will also be several new opportunities for small entrepreneurs in the liberalized business environment.

With a virtual revolution in the India automobile sector and foreign auto giants seeking to source components challenges from Indian companies, the ancillarization process will receive a big boost. Similarly, the phenomenal growth in sectors such as telecommunications, computers and entertainment, electronics will provide new opportunities to small ancillary units in India.

The growing tendency among the large companies to outsource their requirements will provide new opportunities to SSI units. But they will have to upgrade their Technology and improve the quality of their products.
She concluded that there are certain products such as handicrafts, hand-knitted carpets, high value handloom saries, custom made garments, and leather products that cannot be produced in standardized large-scale processes. These labour-intensive areas requiring traditional skills will continue to remain the preserve of the small-scale sector.

The service sector has been expanding at much faster rate than the economy. This will be more as the economy develops further. The service sector is ideally suited to small entrepreneurs.

The new policy for the small sector is able to face the challenges and exploit the opportunities. The state will have to continue to provide the necessary infrastructure for the healthy development of small enterprises.

3.16: Dr. Thillainayagam and Dr. Gandhimathi K. (2002) in the article entitled “Institutional Finance to small enterprises” studied the finance to small enterprises such as Lead Bank scheme for facilitating Institutional Finance, credit guarantee scheme for small scale industries, National Small Industries Corporation (NSIC) Ltd., Small Industries Development Bank of India (SIDBI) the role of the SIDBI, sources of finance to Industrial co-operatives, procedure for getting financial assistance etc.

3.17: In the research entitled “Small Scale Industries in the Liberalization Era: Emerging Dimensions of needs for Finance” M. H. Bala Subramanya pointed out that Industrial liberalization has made enhancement of competitiveness is crucial for the development of small industry. Further, the changing composition of small Industry in the 90s indicates that the sector is undergoing transformation in the form of relatively faster growth of the non-household manufacturing sector. Therefore,
technology upgradation and modernization and expansion/transformation of traditional small industrial unit will gain ground in the future. These together will primarily lead to a considerable increase in the investment demand of small industry for finance.

Also, the trends of setting up of their own research and development facilities will add to the increase in investment demand. Quality improvement, diversification, labour saving and environment related investments would be the other dimensions of investment demand.

To meet the diversity of investment demand requirements, it is essential to broaden the financial infrastructure for small industry development. Exclusive financial institutions like SIDBI are required such as Small Industry Technology, Small Industry Development Investment Corporation and Deposit Insurance and Credit Guarantee Corporation (DICGC) in addition to widening the scope of National Research Development Corporation (NRDC), these steps would enable the development of an appropriate financial infrastructure, which in turn contribute to the overall development of a competitive small industry sector in India.

3.18: R. Amutha (2003) published a research article entitled “Management of working capital in Rural and Small Industries”. In this article he pointed out the effective management of working capital can do much to ensure the success of a business, while its inefficient management can lead not only to loss of profits but also to the ultimate downfall. The adequate and timely flow of working capital determines the success of small and rural industries. Working capital is one of the key inputs
which accelerates the growth and development of rural and small-scale industries in the country.

3.19: S. Ramesh Babu conducted a study on “Modernization fund for rehabilitation of Small Industries” (2002). In his study a few solutions are suggested for the rehabilitation of sick industries through rehabilitation and modernization using modernization fund:

- Market research should be done to ensure that the modernization which is to take place is in the right direction and also to ensure that there is a high degree of adaptability of the new product/service viz. the market.

- Advancement of technology should be provided either through purchase of new technology from the right source in India or abroad suitable for a quantum jump in up-gradation of the product, or through research and development at specialized centers promoted by the Government.

- Training programme should be conducted periodically for the entrepreneurs and the executive to sharpen the skills in different functional areas like marketing, finance, personnel etc.

- Supply of new machinery and equipment required for better cost effective production of small or large volume of goods.

- Modernization of power equipment to cut down the consumption of power thereby saving cost.
3.20: V. Gopalswamy in his research study entitled “Institutional Finance to Small Enterprise” gave certain suggestions which are as follows:

- The project, before approval for any financial assistance has to be evaluated and assisted by a panel consisting of technocrats, management consultants, successful entrepreneurs, legal experts etc.
- The interference of political parties in day-to-day activities of financial institutions in providing financial assistance to small enterprises has to be avoided totally.
- Adequate trained personnel are to be employed for proper guidance to the entrepreneurs in obtaining financial assistance.
- Exhibiting conventional approach by the financial institutions before sanctioning and after disbursement of any financial assistance to the small enterprises.
- Adequate training to the upcoming and existing entrepreneur regarding the availability and proper utilization of financial assistance to the entrepreneurs.
- Relaxation of norms such as requirement of securities other than proposed/existing business legal documents etc.

3.21: K.H. Anantha, Jayasheela and Vishwanathe, (2004) conducted study entitled “Small Scale Industries in India: Are they contributing enough?”. They studied in their article that the small-scale industrial unit must be assured of prompt supply of raw materials and timely finance. In order to improve the marketing competency of the units, the technology in SSI sector requires urgent upgrading so that quality products can be supplied to the markets. The government should ensure proper supply of various inputs.
It has been realized that small-scale industries can be effective instruments for creating employment opportunities with a limited range of capital requirements. It has been accepted that heavy industries alone are not capable of generating substantial employment for the country having heavy pressure of population and therefore a shift in priority to greater emphasis on small-scale industries becomes a natural corollary.

3.22: T. R. Gurumoorthy and K. Jeyachandran (2002) in their study “Progress of Small Scale Industry” attempted to give a progress of small scale industry was analyzed in this study in terms of number of units, production, employment and exports. Targets Vs achievements analysis was also done to study the progress of SSI sector from 1996-97 to 1998-99. They also studied the sickness of SSI sector for the purpose of ascertaining the number of sick units and volume of loan outstanding. They also pointed out that SSI sector is not adequately financed by the commercial banks. They studied the reasons for sickness in SSI sector and concluded that financial problem, marketing problem and raw material problem are important problems of the SSI units.

3.23: K. Lavanya Latha (2005) conducted a research on “Small Scale Sector: A Nursery of Economic Development”. He studied the factor such employment, production and export and also sickness and one has to consider small sector as a nursery. In view of the weakness of and threats to the small-scale sector not only the government but also the entrepreneurs have to provide additional facilities, scheme, incentives and encourage innovative activities for the development of the sector in the present era of globalization and competition.
3.24: “Small Scale Industries in Transition: A Study on Pre and Post Liberalization scenario in Pune”. Ph.D Thesis, submitted to the University of Pune by Chinmoyee Mahanta 2000, studied the position of small-scale industries in both the period i.e. pre and post liberalization period. It is now cleared that there is no alternative but to accept and face the challenges of globalization by SSI sector has to decide its own future alternative may be either to face the challenges or to close down the business for ever.

3.25: Dr. Nagayya and Dr. Rao in their paper “Small Scale Industries Challenges and Strategies in the Liberalization Period” highlighted that an important element of the globalization process was the growth of intra-firm trade, which creates barriers to entry for developing countries. The design of reform policies, which facilitates India’s participation in the global network of production, needs greater attention. “I will make what you need” and not “I will sell what I make” should be the attitude of manufacturers in the global environment quality infrastructure and productive manpower are the basic necessities to participate in the global production network.

They also pointed out that the SSI units should be given incentives to enable them to graduate into medium size modernization; technological upgradation, adoption of cluster approach for quick and effective delivery of inputs to SSI units etc. are some of the factors that need utmost attention to make the sector competitive in the LPG environment. There is need to increase employment and productivity per employee in the SSI sector to make it more competitive.
3.26: Appa Rao in his paper “Small Scale Industrial policy with special reference to Identification and Product Reservation” opined that de-reservation of the items reserved for exclusive manufacture by the small scale industrial sector has now become important because many de-reserved items could be freely imported under Open General License (OGL), giving rise to an anomalous situation.

De-reservation of the products reserved for exclusive production by the small industry is in accordance with the wish of the World Trade Organization (WTO) and objectives of globalization. The changes in the policy have been introduced anticipating something good but whether it causes good or bad has to be awaited and seen.

3.27: Dr. Pulla Reddy and Dr. Mutyala Naidu in their paper “Toposy-Turvery policy of the Govt. on SSI” opined that there is a need to bring these changes in the small scale industry. But these changes should be brought after informed debate and discussion. The consensus arrived at on the most crucial part of the reforms should be used to improve the efficiency of small sector for the benefit of its consumer.

3.28: The paper on “Globalization challenges of SSIs” by Suryanarayana focused that Indian small entrepreneur’s have to adopt new technology to improve their efficiency and to meet the global quality standards of goods and services. The SSI Sector in our country will have greater export potential in this decade especially in electronics and computer components, automobile components, food products, consumer goods etc. The service sector also offers great potential for small-scale
industry particularly in the areas of communication, information technology, internet, e-commerce and e-business.

3.29: Dr. Krishna Mohan in his paper on “Challenges of Small Industry in the post liberalization period” examined that the process of economic liberalization and globalization has been an effective instrument in promoting efficiency new capital investment and faster economic growth in many countries. It has been also created keen competition among Indian SSI sector it is now essential for companies as well as global mangers to understand what globalization is in terms of product quality, technology, marketing strategies, investment decisions etc.

In his study he reached to the conclusion that the development of small-scale enterprises is generally believed to contribute substantially to employment creation and generation of income, particularly for low-income population groups. Small-scale industry opened their frontiers by absorbing new technology to sharpen their artistic skills and deepening their creativity to be competitive in the global market.

3.30: Appa Rao, in his paper “Liberalization and Exports of SSI in India” expressed the view that in the light of the importance of exports to the national economy product groups which have export potential need to be given adequate support and encouragement in the form of incentive and infrastructural support. According to the inferences of his study India needs to initiate measures to protect SSI sector from international competition by imposing non-tariff barriers such as social causes, environmental regulations, and quality standards for products and process.
3.31: A. S. Vanaja (1997) in a study “Manufacturing Efficiency of Small Scale Industries” attempted to point out that the aim of reservation policy is to protect the interest of SSI s and to make them more efficient. The study suggested that the tax structure should be modified and single tax should be collected, also that the Govt. should reduce the formalities and difficulties involved in obtaining loans as well as licenses.

3.32: J. C. Sandesara (1993) in his study confirmed that the modern SSIs have increased both capital and labour productivity over a period of time which could be attributed to increase in the capital intensity. He also pointed out that the increase in labour productivity was not only higher than capital productions but also more than capital intensity.

3.33: T. L. N. Swamy (1995) studied the growth and productivity of the small industry in the context of employment generation. Here he observed that the capital investment is higher than the employment input. So he concluded that the SSIs became more and more capital intensive.

3.34: V.S.P. Rao (1991) analyzed “Human Resources Management in small Industry”. Here he pointed out that Visakhapatnam employees were not happy with their wages, which they get from SSIs. He realized that more than half of the employees have chosen employment in SSIs only because of unemployment.

3.35: V. K. Tewari, Jopshep and Amar Nath Pandey (1991) studied “Small Scale Industries Success and Failure” made a comparative analysis of factors causing and
contributing to the success of small scale industries on the one side and those responsible for the failure of SSIs on the other side. The study pointed out various operational problems faced by small entrepreneurs in developing and in the management of their units. It also highlighted valuable guidelines for the review and restructuring of promotional policies and the schemes of financial and promotional support for the small-scale sector.

3.36 R. S. Jamuer\textsuperscript{15} (1991) in his study “Small Scale and Cottage Industry in India” tried to pinpoint the role of industrialization in economic development. He further discussed the present position and problems of small scale and cottage industries in the light of industrial sickness. The author appraising and analyzing the Govt. policies suggested measures for better development of small scale and cottage Industries.

3.37 B.B Reddy, A. R. Reddy and B. K. Reddy\textsuperscript{32} (1987) studied three-pronged attack on sickness in small scale industries”. The authors pointed out that although there is a phenomenal growth of SSIs over years the sickness is also growing unabatedly. The authors felt that there was an urgency to prevent the sickness of SSI units. They suggested three points of prevention on sickness. These were (a) preparation of viable projects, (b) completion of projects according to schedules and (c) professionalization of management.

3.38 Prof L. K. Naidu and Fr. A. Pamavathi\textsuperscript{22} (1987) made a case study on “Why this growing sickness in small-scale units?” This case study suggested suitable arrangements for monitoring and detection of sick units as early as possible. They called for step to strengthen the agencies like District Industrial Centers, Marketing
Society & training centers. According to the authors it is not enough to devise suitable measures to deal effectively with sick industrial units.

3.39: “Incidence of Industrial sickness in small scale Industries” has been analyzed by N. T. Vedachalam (1991) and emphasized various causes and the incidence of sickness in the small-scale sector. This study also attempted to investigate the entrepreneurial and managerial causes of sickness.

3.40: T. Vasunadhara (1993) analyzed “sickness in small scale Industry, a premise for National Introspection” assessed the major causes and remedies of sickness of SSIs. According to the author, Government of India should re-examine the lines of activities and investment criteria set out for SSIs thereby avoiding unhealthy competition.

3.41: Renu S. Parmar (1995) “Industrial sickness in small scale sector” tried to find out causes of sickness and failures in SSI units in the very initial five to six functioning years. The author concluded & suggested that high rate of “infantile” failures can be measured by minimizing short up risk.

3.42: V. Harikumar and K. Sasikumar (1997) analyzed “Industrial sickness in the SSI sector in Kerala”. Here they focused the causes of sickness in the SSI units in Kerala. In their study they suggested that Govt. should equip the existing machinery or promote a new organization for identifying feasible projects and preparing reports on the basis of feasibility studies.
3.43: K. K. Subrahmanian and P.M. Pillai (1994) made a survey of small scale industries Kerala. They compared the performance of Kerala with other major states and also with the all India average. They concluded that the small-scale units in Kerala did grow in number, but its growth record in net value addition & employment creation appeared very poor as compared to all India level.

3.44: Hina Sin^u (1998) in her study “Structural Changes and productivity in small scale Industries” talked about the growth and relative performance of small enterprises in Gujarat and all over India. She also tried to discuss the performance of SSIs at different locations and in different size groups.

3.45: Anderson Dennis (1982) in his study highlighted that SSI always started their activities with a low amount of capital drawn from the saving of the entrepreneurs and their friends or relatives which appeared to have played a significant role.

3.46: M. U. Deshpande (1982) in his study “Entrepreneurship in small scale industries” analyzed the growth and development of entrepreneurship in the Marathwada region. This study gave some suggestions to make healthy growth of the small industrial units in an underdeveloped region.

3.47: C.S. Prasad (1994) in his study “Small Sector Big Achievements” attempted to give a picture of big achievements of SSI in India. According to him the economic reforms of liberalization and globalization emphasized the small scale sector more efficient and competitive.
3.48: G. Jayachandran, D. Narendra Kumar and D. Himachalam (1994) analyzed "Capacity Utilization in small Industry". The main objective of this study was to understand the root causes for the underutilization of installed capacity in the SSI. Here, they have made some suggestions that the entrepreneurs should be properly trained in different aspects. Again it was suggested to have an association of entrepreneurs' along with experts in marketing and government officials as an advisory body.

3.49: J. Chandra Prasad and V. Narayana Rao (1996) in the study "Small scale Industry in the Area of Exports" have shown that SSI are making significant contribution to the total exports; both direct and indirect. So they suggested that the Small Scale Industries Development Organizations should set up a separate wing for export development in order to tone up the SSI export.

Conceptual Framework:

Study of literature threw light on globalizations process and their serious impact on Small Scale Industrial Units, their adoption in the industrial organizations in almost all the developed nations and many of the developing nations like India, in particular. It also became amply clear that the globalization has tremendous impact on various areas of operations of Small Scale Industrial Units such as job satisfaction and motivational levels of the workers and managers and the departmental as well as the organizational productivity, efficiency, industrial relations and the quality of products in all Small Scale Industrial Units situated in Pimpri-Chinchwad MIDC area and many other Small Scale Industrial Units in the rest of the world. This helped in getting
conceptual clarity related to the topic and for this research work. This study also facilitated in laying out the research framework and in formulating the hypothesis. It has confirmed from the existing related literature that the impact of globalization on Small Scale Industrial Units is very powerful. The pattern of thinking of organization had changed with conscious effort are being generated to enhance the quality of products, productivity and efficiency of plants and services and customer care by accepting globalization process. Customer orientation had improved and the Small Scale Industrial Units had become conscious of quality of products and services.

This globalization process have been found to create higher levels of job satisfaction and motivation among the workers and managers leading to higher productivity and efficiency, better quality, and lower costs of products and services. Globalization process has been described to be participative in nature. It encourage enthusiastic intellectual and emotional involvement of employees because of which pattern of thinking changes leading to ownership and belongingness, cooperation, support and teamwork giving enhanced productivity and efficiency.

Among all the workers, it is important that these changes should take among the shop floor workers who are the real and ultimate implementers and value address in the manufacturing organizations.

Thus, the necessity and importance of reviewing the impact of globalization on the various areas of Small Scale Industrial Units such as the quality of products, industrial relations and job satisfaction and motivation levels of shop floor workers and in turn
on the productivity in the organizations surfaced. It was felt that the outcome of such a study would help in decisions towards further continuance of this process.

Indian Small Scale Industries are passing through a transitory phase of many changes in the business practices taking place all over the world. This has resulted in the opening up of the economy and global competition. The demand on the Indian Small Scale Industries is to become world class to withstand this competition and emerge as winners. Management of Indian Small Scale Industries have been looking around and picking up the globalization process to help them to achieve these objectives.

A research of this type is quite involved, time consuming and expensive if attempted all over India and in all the Small Scale Industries in particular. An optimal way is to concentrate in a limited but representative region of Small Scale Industries so that the study done in such a region will be an authentic indicator and an ideology for the rest of the Small Scale Industries in other geographical locations in India. Therefore, it was planned that the research to be carried out in Pimpri-Chinchwad MIDC area, which is the hub of the modern Small Scale Industries in India and holds a leadership position in the industrial organizations.

Based on this, the aim and objectives of the research study were finalized.
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