SUMMARY OF FINDINGS, SUGGESTIONS
AND CONCLUSION
CHAPTER V
SUMMARY OF FINDINGS, SUGGESTIONS AND CONCLUSION

The list of obstacles and challenges faced by the manufacturers seems endless, including globalization and expansion into new markets, lack of research and development, low-cost country sourcing, pursuit of growth through innovation, product proliferation, service competition, going green, access to present technology, the war for talent, mergers, acquisitions, and divestitures, lack of promotional activities, enterprise risk management and compliance requirements, addressing each of these areas present an enormous challenge to manufacturers in their own right, taking together the task is incredible, beating the competition and driving profitably.

The researcher has taken for the study about the manufacturing industries consists of Textile and Garments, Engineering, Jewelry making and Fabrication. The study regions are Coimbatore (South), Coimbatore (North), Sulur, Pollachi, Mettupalayam and Annur in Coimbatore District, Tamil Nadu, India. To understand the various challenges like financial, human resource, marketing, raw material and general problems of 456 MSME manufacturing enterprises in Coimbatore have been chosen as sample for the study by applying stratified random sampling technique. With the help of structured interview schedule primary data have been collected from the MSME Manufacturer. The data have been analyzed by the researcher by applying appropriate statistical tools in order to make it simple and easy to understand. The results have been interpreted by using the following tools namely Percentage Calculation, Chi-square Analysis, Analysis of Variance (ANOVA), Correlation Analysis, Regression Analysis, Garrett Rank Technique, Factor analysis and Cluster analysis. An overview of the research study has been presented below:

5.1 FINDINGS

The findings have been arranged according to the objectives of the study and the key results have been reproduced as below:

Chapter I of the study has given the introduction and design of the study.
Chapter II has comprised the review of literature which has been undertaken to know the various researches undertaken in the area of the study and to identify the research gap.
Chapter III covered Micro, Small and Medium Enterprises in India, Manufacturing enterprises such as Textile sector, Engineering industries, Jewelry making and Fabrication in India, problems and challenges faced by them. Chapter IV data analyzed using the relevant statistical tools interpreted based on the objectives of the study.

Objective 1: To know about the demographic profile and industrial profile of the MSME.

Personal Profile of Manufacturers in MSME
The result for the classification of respondents on the basis of their personal profile has been as follows:

- Gender category specifies the risk has taken by the people to do their business particularly in industrial work. From the study 88.60 percent are Male respondents.
- Age is an important factor for any type of work. From the analysis half of the respondents are in the age group of 41-50 years. The average age of the respondents is 36.30 year.
- Majority (96.70 percent) of the respondents are married.
- 78.10 percent of the MSME manufacturers reside in nuclear family.
- To provide sophisticated life to their family, 87.01 percent of the respondents have 4 to 6 members in their family.
- Education is the foremost valuable tool for our day to day life. In the study 53.19 percent of the respondents have completed Under Graduation.
- From the study 43.60 percent of the respondents’ father’s occupations are Agriculture.

Industry Profile of Manufacturers in MSME
Analysis of the industry profile of Micro, Small and Medium Enterprises has revealed that:

The study shows 49.80 percent of the respondents have started doing business in the past 5 to 10 years.
- Many of the entrepreneurs are willing to invest their own money while doing business. Majority (75.20 percent) of the respondents own Micro Level Enterprises because of small investment pattern attract the business people.
Most of the business people are doing business and taking risk in their own way without depending upon others. In the present study found that more than half (66.40 percent) of the respondents are Sole Proprietors.

Majority (75.70 percent) of the respondents runs Engineering Industries.

In the Micro, Small and Medium Manufacturing Enterprises most of the workers have only school level education.

7.70 percent of the respondents have quality certification.

22.6 percent of the industries uses credit linked capital subsidy scheme.

For doing any business place is important factor. In the study 55.90 percent of the respondents are doing business in rented building.

The greater part (55.90 percent) of the respondents is facing lot of problem while running their business in rental building.

88.60 percent of the manufacturers are facing lot of difficulties while recruiting workers for their business. It takes long time process.

MSME manufacturers faces problem in finding the skilled manpower for their business. Their workers are mostly uneducated.

The mainstream (55.9 percent) of the respondents has not been using any MSME schemes because of strict rules.

In the Manufacturing sector 75.21 percent of the workers qualification is below SSLC.

Maximum respondents expect government assistance for the promotional activities of their business.

59.21 percent of the respondents buy raw materials from local and domestic suppliers and they need above 90 days to settle the credit.

Mainly 53.94 percent of the respondents sell their product on credit and allowing credit period for their customers maximum 61-90 days.

Majority (93 percent) of the respondents provides welfare measures to their workers.

Objective 2: To observe the challenges faced by entrepreneurs of manufacturing sector in different segments of MSME.

Financial Challenges

- The business people are willing to invest minimum amount as a startup capital. 34.20 percent of the respondents have invested Rs.10 Lakh to Rs.15 Lakh for their business.
Bankers and Financial Institution are providing loans for doing business and adopting new technology to the entrepreneurs. In the study most of the respondents uses credit facilities from bank. 80.70 percent of respondents are doing business by using their own fund as well as outsider’s fund.

Majority (85.10 percent) of the respondents have been doing business by getting loan from Cooperatives and Indigenous Bankers.

42.50 percent of the respondents are utilizing financial resources for the purpose of working capital requirement in the Micro Small and Medium Enterprises.

Human Resource Challenges

The majority (85.30 percent) of respondents are selecting skilled workers through employees and friends.

45.40 percent of respondent’s workers wages per day was above Rs.450.

54.20 percent of respondents have been motivating their workers by providing incentives.

93 percent of the Micro, Small and Medium Enterprises were providing welfare measures to their employees.

88 percent of the Micro, Small and Medium Enterprises while recruiting the employees were facing long time process.

Raw Material Challenges

41.90 percent of respondents have been buying raw material from Local place.

MSME are willing to buy raw material from local suppliers because of convenient. 64.30 percent of respondents have been buying raw material directly from Manufacturer.

The majority (59.50 percent) of respondents have been buying raw material by both cash and credit.

Most (84.40 percent) of respondents have not received any government subsidy for raw material purchase. 7.70 percent of respondents for purchase of raw material have been using bank loan.

Marketing Challenges

The majority (76.30 percent) of respondents have been selling their product directly to customers.

80.50 percent of respondents have been selling their product both cash and credit.
MSME are facing severe competition to sell their product in the local and
domestic market.
Micro, Small and Medium enterprises manufacturers while selling product in the
foreign market were facing difficult to collect credit from customers.
Majority of the manufacturers have chosen channel of distribution to sell their
product directly to customers without depend upon the intermediaries.

Objective 3: To study the entrepreneurs problems in the manufacturing sector of
MSME.

General problem

In the Manufacturing sector 55.90 percent of respondents have not been utilizing
MSME Schemes.
96.90 percent of respondents have been facing difficulties while accessing
MSME Schemes.
44.10 percent of respondents are using MSME schemes for their business
growth or expansion stage.
Many (92.30 percent) of respondents are not importing new technology for the
development of their business.
The majority of the respondents have been facing difficulties by finding the
skilled manpower for their business. It has been concluded that the government
have to take necessary steps to supply of man power to develop Micro, Small
and Medium Enterprises.

Objective 4: To measure the influencing factors towards the challenges of
entrepreneurs in manufacturing sector in MSME.

Financial Challenge – ANOVA

ANOVA has been used to test whether the scores obtained for financial
challenges faced by Micro, Small and Medium Enterprises in manufacturing sector
has differed significantly among the respondents classified based on personal and
industry variables. The level of agreeability of the respondents on the financial
challenges has varied significantly except marital status, size of business operation,
form of organization, certified organization and financial pattern of organization.

Financial Challenge – Chi-square test

In order to find out the influence of various personal factors relating to the
sample respondents (independent variables) on their financial challenges of
entrepreneurs by the MSME (dependent variable) null hypotheses were formulated.
The factors of the respondents significantly different and influence the financial challenge derived by the respondents on MSME. The utilization of financial resources of respondents is highly significantly used the entrepreneurs for their business activities.

**Financial Challenges of the Respondent in MSME – Correlation**

The correlation analysis is used to find out the relationship between the independent variables and the financial challenges of the entrepreneurs on the MSME concern. The result shows that gender of the respondents has positive relationship with the financial challenge variables. Financial challenge score at 1 percent and 5 percent of significant level. There are higher positive relationship between the variables credit facility accessibility and father’s occupation in the present study.

**Financial Challenges - Multiple Regression Analysis**

In this study point out that the respondents financial challenges have significant association with the variables like Family Size, Educational Qualification, Business Size, Form of Organization, Certified Organizations, Capital Investments, Financial pattern, Credit Facilities and Utilization of Financial Resources in Coimbatore district. These are the factors providing simultaneous effect in existing MSME business concern in Coimbatore.

**Factors Influencing the Human Resource Challenges Derived by the MSME**

**ANOVA**

ANOVA has been used to test whether the agreeability scores obtained for human resource challenges of Micro, Small and Minimum Enterprises in manufacturing sector has varied significantly among the respondents classified based on personal and industry variables The level of agreeability of the respondents on the human resource challenges has varied significantly except land ownership. It has been concluded with ANOVA test that the variations in the level of agreeability on human resource challenges faced by the respondents while running the business has been due to recruit the required number of manpower and managing effectively the recruited employees.

**Chi-square Test**

Chi-square test specify that factors such as gender, age group, marital status, family type, family size, educational qualification, father’s occupation, period of doing business, size of business, form of organization, nature of activity, certified organization, type of certificate, land ownership type, selection process of skilled
workers, minimum wage per day and type of worker motivation of the respondents. The factors of the respondents significantly different and influence the human resource challenges derived by the respondents on MSME. The Selection Process of Skilled Workers and Minimum wage per day of respondents is highly associated with the human resource challenges and their business activities.

**Correlation**

The correlation analysis is used to find out the relationship between the independent variables and the human resource challenges of the entrepreneurs on the MSME. It specifies that the gender of the respondents has positive relationship with the Human Resource challenge. There are higher positive relationship between the variables credit facility accessibility and father’s occupation in the present study.

**Multiple Regression Analysis**

Among the different independent variables included in this analysis, all other variables of the sample respondents on human resource challenges showed at 5 percent level of significance. The co-efficient of multiple determinations ($R^2$) shows an amount of 0.495 of variation explained by all the independent variables to the dependent variable. It indicates that the respondent’s Human Resource challenges have significant association with the variables like Gender, Age, Marital Status, Family Type, Family Size, Business Size, Form of Organization, Land Ownership Type and Type of Motivating Workers in Coimbatore district. These are the factors providing simultaneous effect in existing MSME in Coimbatore.

**Factors Influencing the Raw Material Challenges Derived by the MSME**

**ANOVA**

ANOVA has been used to test whether the agreeability scores obtained for raw material challenges of Micro, Small and Minimum Enterprises in manufacturing sector has varied significantly among the respondents classified based on personal and industry variables. The ANOVA result has shown that there is no significant difference in the level of agreeability about the raw material challenges based on gender, type of family and land ownership.

**Chi-square Test**

The result of Chi-square test indicates that factors such as gender, age group, marital status, family type, family size, educational qualification, father’s occupation, period of doing business, size of business, form of organization, nature of activity, certified organization, type of certificate, land ownership type, raw material buying
place, channel of raw material purchase, mode of payment, raw material purchase getting government subsidy and form of government subsidy of the respondents significantly different and influence the raw material challenges.

**Correlation**

Raw Material challenge indicates that the gender of the respondents has positive relationship with the raw material challenge variables like marital status, family type, educational qualification, nature of activity, certified organization, raw material buying place, channel of purchase, mode of payment and raw material score at 1 percent and 5 percent of significant level. There are higher positive relationship between the variables credit facility available and father's occupation in the present study.

**Multiple Regression Analysis**

The co-efficient of multiple determinations ($R^2$) shows an amount of 0.487 of variation explained by all the independent variables to the dependent variable. It shows that the respondent’s Raw Material Challenges have significant association with the variables like Gender, Age, Marital Status, Family Size, Educational Qualification, Father’s Occupation, Nature of Activity, Land Ownership Type and Raw Material Buying Place in Coimbatore district. These are the factors providing simultaneous effect in existing MSME in Coimbatore.

**Factors Influencing the Marketing challenges Derived by the MSME**

**ANOVA**

ANOVA has been used to test whether the agreeability scores obtained for Marketing challenges of Micro, Small and Minimum Enterprises in manufacturing sector has varied significantly among the respondents classified based on personal and industry variables such as age, marital status, family size, educational classification, father occupation, period of doing business, size of business operation, form of organization, nature of activity, certified organization, land ownership, channel of selling the product, mode of selling product and factors influencing the marketing challenges. The ANOVA result has shown that there has not been significant difference in the level of agreeability about the marketing challenges when the respondents have been classified based on Gender and type of family. It has been concluded with ANOVA test that the variations in the level of agreeability on marketing challenges faced by the respondents due to competition and allow credit to customers.
Chi-square test

Chi-square test indicates that factors such as gender, age group, marital status, family type, family size, educational qualification, father’s occupation, period of doing business, size of business, form of organization, nature of activity, certified organization, type of certificate, land ownership type, product selling place, channel of selling and mode of selling the product of the respondents. The factors of the respondents significantly different and influence the Marketing challenges derived by the respondents on MSME. The Channel of Raw Material Purchase of respondents is highly significantly used the entrepreneurs for their business activities.

Correlation

The correlation analysis is used to find out the relationship between the independent variables and the Marketing challenges of the entrepreneurs on the MSME. It shows that the gender of the respondents has positive relationship with the Raw Marketing challenge variables like marital status, family type, educational qualification, nature of activity, certified organization and product selling place, at 1 percent and 5 percent of significant level. There are higher positive relationship between the variables credit facility availability and father’s occupation in the present study.

Multiple Regression Analysis

Among the different independent variables included in this analysis, all other variables of the sample respondents on Marketing Challenges showed significance at 5 percent level of significance. The co-efficient of multiple determinations (R^2) shows an amount of 0.399 of variation explained by all the independent variables to the dependent variable. Marketing Challenges have significant association with the variables like Family Type, Father’s Occupation, Period of doing Business, Business Size, Form of Organization, Land Ownership Type, Channel of Selling the Product and Mode of Selling the Product in Coimbatore district. These are the factors providing simultaneous effect in existing MSME in Coimbatore.

General Problems

ANOVA

ANOVA has been used to examine whether there is significant variation among the respondents classified based on their personal and industry variables about the level of agreeability on the general problems faced by Micro, Small and Medium Enterprises while running manufacturing sector. The general problems score has been
found by adding the ratings given by the respondents for the problems faced in running the business. Higher the score more is the severity of problems faced overall. It has been concluded with ANOVA test that the variations in the level of agreeability on problems faced by the respondents while running the business due to the problems to access MSME schemes.

**Chi-square Test**

In order to find out influence of various personal factors relating to the sample respondents on their general problems of entrepreneurs by the MSME null hypotheses were formulated that the personal factors relating to the sample respondents do not significantly influence and difference between the general problems of entrepreneurs and more factors by the MSME were tested with the help of Chi-square test. It shows that factors such as gender, age group, marital status, family type, family size, educational qualification, father’s occupation, period of doing business, size of business, form of organization, nature of activity, certified organization, type of certificate, land ownership type, utilizing MSME scheme, difficulties to access MSME scheme, purpose of using MSME scheme and importing new technology of the respondents. The factors of the respondent significantly different and influence the general problems derived by the respondents on MSME. The importing new technology of respondents is highly significantly used the entrepreneurs for their business activities.

**Correlation**

The correlation analysis is used to find out the relationship between the independent variables and the general problems of the entrepreneurs on the MSME concern. It shows that the gender of the respondents has positive relationship with the general problems variables like marital status, family type, educational qualification, nature of activity, certified organization, utilizing MSME schemes and importing new technology at 1 percent and 5 percent of significant level.

**Multiple Regression Analysis**

Among the different independent variables included in this analysis, all other variables of the sample respondents on General Problems showed significance at 5 percent level of significance. The co-efficient of multiple determinations ($R^2$) shows an amount of 0.408 of variation explained by all the independent variables to the dependent variable. It indicates that the respondent’s general problems have significant association with the variables like gender, family type, family size, father’s
occupation, business size, nature of activity, land ownership type, utilizing MSME schemes, purpose of using MSME schemes and importing new technology in Coimbatore district. These are the factors providing simultaneous effect in existing MSME in Coimbatore.

**Factor Analysis**

The general problems related factors of the present study is classified as a five groups like financial challenge, human resource challenge, raw material challenge, marketing challenge and general problems. The general problems of the respondent has the maximum component loading ($h^2$) of 0.945 followed by the variables intermediaries among the general problem factors of the respondents.

It has inferred that the factor analysis has been found to be very appropriate. From the factor analysis Eigen Value of the five component factors are Financial Challenge (9.317), Human Resource Challenge (7.107), Raw Material Challenge (5.490), Marketing Challenge (5.214) and General Problems (3.765). For five components total percentage of variance is 67.167.

**5.2 SUGGESTIONS**

Based on the findings of the study the following suggestions have been given to enhance the manufacturing sector of Micro, Small and Medium Enterprises:

- Manufacturing sector run their business in rented building facing lot of problems while getting finance from financial institutions. Government has to take pre measurement to increase cluster center in order to develop Micro, Small and Medium Enterprises.
- Many of the Micro, Small and Medium Enterprises have not utilized government schemes to promote their business in the field of working capital requirement, adopting new technology and expansion. The government has to frame policies way in which MSMEs to utilize the MSME schemes.
- To inculcate the value of utilization of natural resources and control of pollution by the way of adopting strict rules.
- For the welfare of the people to take necessary actions to use of pollution control instrument and plantation of trees in and around the industry.
- To support the Manufacturers, initiation has to be taken to create awareness about the Micro, Small and Medium Enterprises schemes through advertisement.
To solve the MSMEs manufacturing sector problems has to create research and development centre at regional level. It helps to promote the MSMEs in the global level.

Encourage Trade fairs to promote Micro, Small and Medium Enterprises Manufacturing Sector.

Adoption of Information and Communication Technology by Micro, Small and Medium Enterprises manufacturers helps to increase productivity and achieving higher business performance.

Service centers may be opened at different places to go nearer to the MSME manufacturing sector and guide them on how to plan and execute their business operations.

New Entrepreneurs have to be motivated to do business in the manufacturing sector.

To give training to the new entrepreneurs about the use of new technology and import and export procedures.

5.3 CONCLUSION

The Micro, Small and Medium Enterprises are the backbone of the country’s growth. The growth of economy of the country relies on the growth of MSME. This industry contributes approximately 9 percent of the GDP and provides employment to millions of people across the world. The Government under separate Ministry for Micro, Small and Medium enterprises has formulated various schemes for promotion and growth of the industry.

The Micro, Small and Medium Enterprises encounter a lot of problems particularly in the field of finance, human resource, raw material purchase and marketing while running their business. In the field of Finance, Manufacturing Enterprises is difficult to get subsidy from the government for the development of industry. The Human Resource Challenges are to recruit required number of manpower and to manage effectively the recruited workers. Most of the Micro, Small and Medium Enterprises meet human resource problem to run their industry in a proper way. It is necessary to provide various welfare measures and incentives to the workers by the manufacturing sector to do their business smoothly.

Most of the manufacturing sectors purchase raw material from direct suppliers by advance payment or cash on delivery. Marketing challenges of Micro,
Small and Medium enterprises is that the selling of their product in the local and domestic market by credit for 90 days and above. Most of the MSME face the problem of collecting the credit from customers. As they lack money till they receive the credit, they have to avail loan from Co-operatives and indigenous bankers. Another major problem is that those who run business in the rented building face lot of difficulties to access finance from bank and to utilize MSME schemes.

The Small Industries Development Bank of India (SIDBI) is an apex bank to provide loans to small and medium scale industry, but still MSMEs face number of challenges like access finance, technology, markets and skilled labour. Most of the time these units remain ignorant of Government schemes as a result they are unable to get benefits offered by the Government. To overcome these problems Government has to take special initiatives to implement cluster projects through which could be educated to have more awareness to develop Micro, Small and Medium Industries in Coimbatore District.
SCOPE FOR FURTHER STUDY

The current study on challenges of Micro, Small and Medium Enterprises with special reference to Manufacturing sector in Coimbatore district has provided the basis for carrying out research in the following areas listed, which may lead to a challenges faced by manufacturing sector while running their business:

A research study may be undertaken to know the production problems and challenges faced by MSME and its impact on new entrepreneurs.

A comparative study on marketing challenges faced by both manufacturing and service sector.

An empirical research may be undertaken on the role played by manufacturing sector in the economy development.

MSME has to adopt new strategies for the substantial growth of business. So the researcher need to research on barriers faced by MSME to import new technology.

To understand the contribution made by the Micro enterprises to the growth of economy, a study on the role of Micro enterprises in the development of Indian economy with reference to manufacturing sector may be undertaken.