STUDY ON FACTORS WHICH HELP TO ENTREPRENEURS FOR MODERNIZATION OF SMALL-SCALE OIL-PROCESSING UNITS IN RAJASTHAN

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ABSTRACT

Small Scale Industries (SSIs) constitute an important and crucial segment of the industry sector, which account 40 percent of the total industrial output and contribute nearly 35 percent of the total direct exports. Rajasathan has locational advantage being nearer to national capital and therefore, potential market is available for marketing of oil-product. Considering these fact, the present study was in purposively selected Bharatpur, Sri Ganganagar and Jaipur district of Rajasathan. In all, 60 entrepreneurs were included in the sample of the study by proportionate random sample method. Data were collected by the investigator through interview technique with the help of structured schedule. The findings of the investigation indicate that suitable location of entrepreneurial unit and adequate supply of power the major production factors, and cordial support and Government incentives, and timely supervision & guidance were the major managerial and institutional factors perceived by entrepreneurs for economically viable small scale oil processing unit in Rajasthan.

Key Words: Small Scale Industries, Entrepreneurs,

INTRODUCTION

As a rapidly growing third world country, India has been taking measured and careful steps in its diverse developmental efforts. constitute an important and crucial segment of the industry sector which accounts for 40 per cent of the total industrial output and contributes nearly 35 per cent of the total director exports. The contribution of SSI sector to employment is next only to agriculture. It is estimated that there were 27.24 lakh small scale units spread all over the country giving employment to around 152.61 lakh persons.

The document vision 2020 brought out by the GOI states, Recent experiences of different countries in the context of globalization demonstrates that small and marginal enterprises are insulated from the pressures generated by the volatility of world trade and capital markets. They are more resistant to the stresses and more responsive to the demands of the fast changing technologies and entrepreneurial responses. Indeed, they are observed to be a very important vehicle for new technology adoption and entrepreneurial development. What is true of the most developed countries today will be true for India in 2020. SMEs will play a crucial role in ensuring Indias International competitiveness and its rapid assimilation of new technologies.

Rajasthan has locational advantage being nearer to national capital and therefore, potential market is available for marketing of oil-products. On the other hand, entrepreneurs are encountering a number of constraints pertaining to finance, marketing, technological and export for smooth running of their entrepreneurial units. Therefore, there is an urgent need to provide the facilities to them for setting up of economically viable units. They should be equipped with latest technologies and skills by organising different entrepreneurial motivational and skill oriented training programmes frequently. Keeping this background in view, the present study was planned with the main objectives as to determine the production, managerial and institutional factors which help in establishing economic viable small-scale oil-processing units in Rajasthan.

METHODOLOGY

The present study was conducted in purposively selected Bharatpur, Sri Ganganagar and Jaipur district of Rajasthan. For selection of entrepreneurs proportionate random sampling is used. In all, 60 entrepreneurs were included in the samples of the study for the data collection. Data were collected through personal interview technique with the help of structured schedule. Therefore, data were tabulated, statistical tools were applied, and interpretations were made in the light of objectives.

RESULTS AND DISCUSSION

Production Factors Perceived by Entrepreneurs–The data presented in Table 1. were analyzed t

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know the relevancy of production factors. The table revealed that suitable location of entrepreneurial unit was given highest mean percent score (80.00%). Adequate supply of power and adoption of quality control measures were ranked second and third with MPS of 78.75 and 78.33 per cent, respectively Rajasthan being nearer to national capital has locational advantage of mega market. It is a well-known fact that consumption will be higher nearer to cities. Therefore, government should allot the industrial plots to small entrepreneur nearer to the cities. However, RSIDC, an organisation related to entrepreneurship in Rajasthan, is providing the industrial plot to the entrepreneurs in a well-constructed industrial area, but its services are limited up to some cities and towns. Hence, it is necessary to make it functional in all cities, towns and in rural areas also. Therefore, Rajasthan Govt. must provide such plots in surrounding area of cities for the development of entrepreneurship. Provision of adequate supply of power in time should also be available for proper working of units and facilities of quality control measures should be provided in the cluster of units. The other factors perceived by entrepreneurs were possession of physical facilities like telephone, transport, refrigerator, cold storage (77.08%), sound planning and efficient implementation of project (75.83%), better infrastructure facilities (75.00%), better facilities for entrepreneurial mobility (73.33%), good quality of raw material (72.50%), and full capacity utilization (72.08%). It implies that lack of these infrastructure facilities affect production, its cost and delivery. Frequent disruption in power supply adversely affects productivity and compromises quality in precision and high technology outputs. Demand for reliable power supply reflects the increasing awareness of small enterprises in maintaining their quality and competitive edge. Similarly, better telecommunication facilities are proving advantageous to SSI units in the highly dynamic and hi-tech international market.Further, programmes on entrepreneurship development must focus on identifying and selecting the right type of entrepreneurs and preparation of project plan best suited to entrepreneurs concerned and in accordance of demand of products.

The other important production factors perceived by entrepreneurs were, availability of power and raw material on subsidized rates. Such a facility is required for rural poor entrepreneurs to become stable in the competitive market.

Table 1. Production Factors Perceived by Entrepreneurs for Economically Viable Small- Scale Oil-Processing Units N = 60

S.No.	Factors	MPS	Rank
1.	Sound planning and efficient implementation of project	75.83	V
2.	Better infrastructure facilities	75.00	VI
3.	Easy availability of raw material	70.00	XI
4.	Availability of raw material on subsidized rate	68.33	XII
5.	Good quality of raw material	72.50	VIII
6.	Use of improved machines and equipments	73.33	VII
7.	Adoption of quality control measures	78.33	III
8.	Suitable location of entrepreneurial unit	80.00	I
9.	Possession of physical facilities like telephone, transport, refrigeration, cold storage, etc.	77.08	IV
10.	Adequate supply of power	78.75	II
11.	Availability of power on subsidized rate	71.67	X
12.	Full capacity utilization	72.08	IX
13.	Better facilities for entrepreneurial mobility	73.33	VII

Managerial and Institutional Factors Perceived by Entrepreneurs–Table 2. indicated that managerial and institutional factors affecting largely the SSI's with their maximum mean percent scores were cordial support and government incentives (81.25%), followed by timely supervision and guidance (80.42%), sound managerial ability of entrepreneurs (77.50%), provision of technical guidance and counseling (75.00%)and proper training of workers (72.92%). Govt. incentives in form of exemption of sales tax, subsidy on investment, rebate in the rate of power, are already provided to small entrepreneurs. There is need to continue these incentives for small-scale units. Packaging materials for export quality products should also be provided on subsidized rates. Timely supervision, counseling and guidance are also equally important for enhance the productivity of entrepreneurial units. Concerned organizations, such as,

Table 2. Managerial and Institutional Factors Perceived by Entrepreneurs for Economically Viable Small Scale Oil Processing Units N = 60

S.No.	Factors	MPS	Rank
1.	Timely availability of improved industrial technology	71.25	VI
2.	Provision of technical guidance and counseling	75.00	IV
3.	Easy procedures for obtaining institutional help	68.75	VIII
4.	Cordial support and Government incentives	81.25	I
5.	Availability and use of skilled labours	65.42	X
6.	Availability and use of trained workers	67.08	IX
7.	Proper training of workers	72.92	V
8.	Better labour management	69.58	VII
9.	Sound managerial ability of entrepreneurs	77.50	III
10.	Timely supervision and guidance	80.42	II

MPS = More percent score

SIDO, DICs, NSIC should provide required counseling and guidance regarding selection of project and product, identification of potential markets, export related information's, consumption data bank and NIC internet services regarding marketing structure. Training institutes like, SISs, NISIET, NIESBUD and EDIs (Table 3) should prepare their schedule for imparting training to entrepreneurs for developing managerial abilities. Training may help entrepreneurs to equip them with the latest method and techniques of oil processing. Therefore, programmes of entrepreneurship development should be organized by different training institutes to equip the entrepreneurs with managerial competence frequently so as to ensure effective management of units.

Table 3. Training Institutional Network For Promotion of Small-Scale Industries

S.No.	Institute	Nature of Assistance
1.	Small industries Service Institutes (SISIs) 28 SISIs and 30 branches	Technical support service, development efforts for SSIs, entrepreneurship development programmes, skill oriented and motivational awareness programmes.
2.	National Institute for Entrepreneurship and Small Business Development Programmes Delhi (NISEBUD)	Training in entrepreneurship Development, Counseling for SSIs, specialized training for trainers, developed course contact for trainings
3.	National Institute of Small industries extension and training Hyderabad (NISIET)	Management development training for SSIs and variety of consultancy for SSIs
4.	Khadi and Village Industries Corporation (KVIC)	Training, guidance, counseling for SSI entrepreneurs
5.	Entrepreneurship Development Institutes (EDIs)	Training for entrepreneurship development managerial skills development of entrepreneurial culture and environment
6.	Indian Institute of Entrepreneurship Guwahati	Advanced training for resource persons, skill oriented programmes
7.	Institutes of Entrepreneurship Developments (IEDs)	Development of entrepreneurial competence, development of trainers, motivators, managers expert services, for enterprise setting
8.	Integrated Training Centre, Nilokheri, (Haryana)	Training for HRD and entrepreneurship development programmes
9.	National Institute of Agricultural Extension Management, Hyderabad (MANAGE)	Training specially for Agriculture graduates for entrepreneurship development, managerial skills, development of entrepreneurial culture and environment.

The other important managerial and institutional factors perceived by entrepreneurs were found timely availability of improved industrial technology (71.25%) followed by better labour management (69.58%), easy procedure for obtaining institutional help (68.75%). Technology up gradation helps in improving quality of product and reduces the cost of production. Presently, SSIs with inadequate infrastructure require sophisticated technologies and simpler processing techniques. Govt. has already set up several institutes but it needs to be strengthened and at the regional level. It is also suggested that procedures for obtaining institutional help from various repute institutions should be reviewed and make it easier. Proper advertisement of training programmes of these organizations should be advertised in advance because many of entrepreneurs are not known to where and what kind of trainings are to be organized.

CONCLUSION

The study shows that suitable location of entrepreneurial unit was found highest mean percent score (80.00%) followed by adequate supply of power (78.75%) and adoption of quality control measures (78.33%). Whereas, availability of raw material on subsidized rates (68.33%) got the least mean percent score. The major managerial and institutional factors for establishing economically viable small scale oil-processing units were found cordial support and government incentives with a highest mean percent score of 81.25 percent followed by timely supervision and guidance (80.42%), and sound managerial ability of entrepreneurs (77.50%). Whereas, availability and use of skilled laboureres (65.42%) got the least mean percent score.

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