

# AN EMPIRICAL RESEARCH ON MICRO SMALL AND MEDIUM ENTERPRISES IN JODHPUR REGION WITH SPECIAL REFERENCES TO SKILL EFFICIENCY AND TECHNOLOGY

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## ABSTRACT

*This research is done to understand the problem of production capacity in the selected Micro, Small & Medium Enterprises (MSMEs) sector of Jodhpur district and is grounded on two crucial factors viz. skill efficiency and new technology. The concept is not at all new-fangled as it is the most talked about part of the various government decision-making processes. The significance of the proposed research lies in the fact that the micro small & medium enterprises segment plays a crucial role in India's economic development or can say monetary advancement with the help of employment creation. For the purpose of data collection, 150 questionnaires (50 each in all three enterprises) has been distributed among the respondents which have been further analyzed and only 54 were received in return and remaining were not completed. For analysis, convenient sampling method with the exploratory design is used.*

*As developing countries are attaining new heights of economic development, hence micro, small and medium enterprises sector undertakings are gaining more thoughtful consideration. Rather than concentrating on general improvement of farming parts, some elective areas should be recognized as it prompts positive engagement of individuals in different exercises. However, there exist some loopholes in this division. Unlike different segments of the economy, the real issue the micro small medium enterprises sector undertakings are confronting is the insufficiency in terms of technology. In spite of the fact that the segment has enormous potential, it can't be utilized to accomplish its fullest potential optimally due to skill deficiencies of its workforce.*

*The present investigation has been done to reveal that skill efficiency and new technology are two important determinants of growth of the micro small & medium enterprises sector. For this reason, an exhaustive report has been made and broad probable areas of skill deficiencies and technology were identified which restricts the growth of the micro small medium enterprises sectors.*

**Keywords:**

## INTRODUCTION

According to **Gupta (2016)** Micro, small & medium enterprises (MSMEs) are considered as the vehicle to reinforce financial development or economic growth. These ventures create work at a speedier rate than big budget businesses. Micro, Small & Medium Enterprises (MSMEs) can provide employment to all sections of the general public viz. skilled, semi-skilled & unskilled people. MSMEs are competent to convey impartial allocation of income & wealth and can promote women empowerment at the grass root of the society.

Under the Micro, Small & Medium Enterprises Development Act, 2006 micro, small & medium enterprises (MSMEs) is classified as under



S. No.	Enterprise (Type)	Investment in Plant & Machinery (Manufacturing)	Investment in Equipment (Service)
1	Micro	Up to Rs. 25 Lakh	Up to Rs. 10 lakh
2	Small	Above Rs. 25 Lakh up to Rs. 5 Crore	Above Rs. 10 Lakh upto Rs. 2 Crore
3	Medium	Above Rs. 5 Crore up to Rs 10 Crore	Above Rs. 2 Crore up to Rs 5 Crore

**Source:** -Gupta Debajyoti Das (2016).IRACST- International Journal of Research in Management & Technology (IJRMT), ISSN: 2249-9563 Vol.6, No.1, Jan-Feb 2016

Foundation of a business enterprise is not a simple task as a whole country's socio-economic nation has a direct link with this. A nation is said to be speculation inviting if it's political, social, technological, legal environment is flexible and adaptable from the point of view of any sort of future business exercises. This is not only true for foreign and large Indian industries or ventures but holds equally true for little businesses too. As it has been seen, more often than modern approaches of India, has been centered around the



This research work has focused on last two issues of Skill efficiency and new technology in micro small and medium enterprises.

## REVIEW OF LITERATURE

The purpose of the literature review is to get some knowledge from the existing works that have just been done in a specific area regarding the research. The nature of the research problem, the end goal and the need for problem statements are to be declared more precisely and clearly. The literature review is one such process which encourages the analysts to search and investigate the issue areas more carefully so that the real nature of the problem can be identified.

The Micro Small and Medium Scale Enterprises (MSMEs) are playing a significant role in global trade in worldwide exchange. MSMEs are embarking their presence in almost all economies around the globe due to the rapid pace of innovative technological developments and intensified competition.

**MSME Report on Skill Development, Government of India (2015)** This report says that most of the parts of MSME depend on different skill development initiatives that the government of India is attempting to actualize with the assistance of various stakeholders. As the legislature is endeavouring to give more spotlights on this area, the sectorial strategy demonstrates certain improvements as far as expertise advancement. The projects are intended to profit the individual work powers and in addition to entrepreneurs, as both of them are getting equivalent weights regarding these activities.



**Akdeve (2013)** concluded in his research that exports play an important role in a nation's economy and it turns on its financial development. In any case, in order for exports to achieve the expected benefit to the nation's economy, it is necessary that organizations make exportable items. In this manner, with a specific end goal to keep enterprise flourishing and to increment financial improvement and worldwide aggressiveness, it is essential that MSMEs trade potential ought to be expanded since they make up 99.5% of the Turkish economy.

**MSME Report on Skill Mapping, Government of India (2015)** It is often misunderstood by most of the stakeholder's indifferent projects identified with skill development for MSME area, that, making few ability advancement activities will be useful for the segment. But this may not be true for all situations, as the skills of today may turn obsolete in future. Continual upgradation of expertise ought to be the criteria for the development of the area. The more critical part is to build up an ability mapping framework which can tell the correct business necessities. Not just that, skill prerequisite over geological areas may shift. Subsequently, the expertise improvement necessity in northern parts of India may not be the same as skill advancement prerequisite of western parts of India. Unless and until the topic of the ability mapping is done, the division particular prerequisite can't be produced and henceforth will turn into an unproductive measure.

**Henry Ongori and Stephenm O. Migiro (2010)** explore that Information and Communication technology adoption and assimilation in SMEs is basic to upgrade their efficiency and competitiveness. What's more Information and Communication innovation utilization in SMEs will upgrade open the entry into the global markets? Use of Modern innovation is turned out to be an extraordinary main thrust behind the fruitful SMEs in China. SMEs assume a critical part of the economy and along these lines needs special attention.

**Gichuki, Njeru, and Tirimba (2014)** Micro and Small (MSEs) assume an imperative financial part of an economic role in many countries. In Kenya, for instance, the MSE division contributes more than 50% for every penny of new employments made yet regardless of their essentialness. The motivation behind this investigation was to decide the difficulties confronting Micro and Small Enterprises in getting to credit offices in Kangemi Harambee Market in Nairobi City County, Kenya. The study exposed that the key challenges encumber micro and small enterprises from the right of entry for credit facilities to be the high

cost of reimbursement, strict security requirements, and the disinclination of people to act as guarantors, high credit facilities' processing fees and short repayment period. Therefore it is suggested that financial institutions set more flexible, affordable and striking requirements in financing micro and small enterprises. **Goswami (2013)** As the MSME part assumes a crucial part of monetary advancement and employment creation after horticulture segment in India, the area has the potential for future improvement. As the division needs low capital venture, monetary contemplations should not stop its development prospects. The issue which is critical here is to influence the entrepreneurs well educated in terms of various aspects. At times it has been observed that the part can't develop in light of the fact that the entrepreneurs don't have sufficient skill and learning of different formative issues and in addition government plans. In light of this hole, an approach should be produced which will help them to extend their business with the assistance of different partners.

**Report of Prime Minister's Task Force on MSME Sector, Government of India (2010)** The committee has identified some of the major problem areas which the sector is looking at the present and attempted to discover the solution for the same. Among the different constraints that the part is confronting, the critical ones are accessibility and cost of credit, absence of guarantee to secure the credit, constrained access to value capital, insufficient framework to help the development of the segment, absence of access to worldwide market, issues identified with government arrangements like tax collection, confused work laws and above all absence of skilled labor and skill improvement activities. The board of trustees recommends healing measures for each of these zones with the goal that the segment, which has such an extensive amount potential, can do equity to its business opportunities.

**Lahiri (2011)** the investigation made an endeavour to basically examine the defining aspect of MSMEs and investigate the opportunities enjoyed and the constraints faced by them in the era of globalization subsequent to breaking down the performance of MSMEs in India amid the during the pre and post-liberalization period. The study revealed that except an marginal increase in growth rate in employment generation, the growth rate in other parameters is not encouraging during the liberalization period.

An examination was done on challenges looked by Small and Medium Enterprises (SMEs) in getting credit in Ghana. On the basis of collected data through the respondents, it wound up noticeably obvious that SMEs in Ghana like most SMEs in different nations are looked with real difficulties in getting to credit. These difficulties were uncovered by the examination to incorporate, the powerlessness of SMEs to give insurance and other data required by banks, for example, evaluated budgetary articulation couple with the high cost of credit as far as high financing costs make it to a great degree hard to get to bank advances (**Vuvor and Ackah, 2011**).

Micro, Small and Medium Enterprises (MSMEs) are seen as a key driver of monetary and social improvement in the African context. They represent a large number of businesses in a country, generate much wealth and employment, work and are broadly thought to be indispensable to a nation's competitiveness. MSMEs are hailed for their crucial part in advancing grassroots financial development and fair reasonable advancement (**Pelham 2000**). MSMEs have a tendency to be extensive in number, representing around 90 percent of all endeavours in numerous African nations and more than 80 percent of new employment in a given nation (**Reinecke, 2002**)

## RESEARCH METHODOLOGY AND DESIGN

The study undertaken is exploratory research design as this type of research is conducted for a problem that has not been studied more clearly, intended to establish priorities, develop operational definitions and improve the final research design. Further, it has followed the descriptive research design in nature which includes surveys & facts finding inquiries to measure the export potential of MSMEs situated in Jodhpur region.

The study is an attempt to analyze MSM enterprises in terms of its Skill efficiency and new technology up gradation which may or may not improve the production capacity of MSMEs in Jodhpur region through variously established hypothesis.

**Universe:** Selected Micro, Small and Medium enterprises located in Jodhpur region.

**Sampling Unit and Sampling Technique:** For the purpose of data collection there were 150 questionnaires that have been distributed among the respondents of micro, small and medium enterprises in Jodhpur district. Due to the shortage of time and money, the convenient sampling method has been used. Out of 150, only 54 responses have been received and were corrected and complete which have been further used for the analysis purpose.

**Table 1:- Responses which have been collected from different categories of enterprises as given below**

S. No	Types of Organizations	Distributed Questionnaire	Received Complete Questionnaire
1	Micro Enterprises	50	18
2	Small Enterprises	50	18
3	Medium Enterprises	50	18
	<b>Total</b>	150	54

**RESEARCH OBJECTIVE**

The research objective of the present research is given below:

- ✓ To find out various skill efficiency difference amongst the MSMEs in Jodhpur region.
- ✓ To ascertain whether new technology has improved the production capacity of MSMEs in Jodhpur region.

**ANALYSIS AND INTERPRETATIONS****Table 2: Descriptive Statistics of the MSME's**

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
Micro	18	1	3	1.41	.541
Small	18	1	4	2.78	1.009
Medium	18	1	3	1.33	1.300

Source: - Primary Data

Above Table represents the descriptive statistics of the MSME's showing the mean, standard deviation and a total number of respondents. For the purpose of finding the relationship between skill efficiency differences amongst the MSMEs in Jodhpur region following hypothesis has been formulated and evaluated with the help of Levenes statistics;

**H<sub>01</sub>: There is a no significant skill efficiency difference amongst the MSMEs in Jodhpur region.**

**H<sub>11</sub>: There is a significant skill efficiency difference amongst the MSMEs in Jodhpur region.**

**Table 3: Test of Homogeneity of Variance for skill efficiency**

Test of Homogeneity of Variances			
Levene Statistic	df1	df2	Sig.
.624	1	53	0.481

**Table 4: ANOVA for Skill Efficiency**

ANOVA						
		Sum of Squares	df	Mean Square	F	Sig.
SE	Between Groups	0.214	1	0.241	0.461	0.015
	Within Groups	24.526	53	0.523		
	Total	24.74	54			

Table 3, Levene's Test for Equality of Variance is performed to test whether the condition of variances for two samples is equivalent or not. A high value shows that a significant difference, yet in **Table 3** result significant = 0.481, which could decipher as no equivalent variances for enterprises of Jodhpur region.

In **Table 4** the variation (Sum of Squares), the degrees of freedom (df), and the difference (Mean Square) are given for the within and the between groups, and in addition value (F) and the significance of the F (Sig.) demonstrates whether the null hypothesis – the populace implies are for the most part level with – the population means are all equal – has to be rejected or not. As should be obvious, there is a great contrast between the two Mean Squares (0.241 and 0.523), bringing about a nonsignificant difference (F = 0.461; Sig. = 0.015). The Sig. value is lower than the Sig. level of 0.05. This means that **H<sub>01</sub> must be rejected** which states that there is a significant skill efficiency difference amongst the MSMEs in Jodhpur region.

As in case of Small-scale enterprises mean value is higher (according to table 1 = 2.78) than micro and medium enterprises, it can be concluded that respondents of small enterprises are more favourable in terms of hypothesis as compared to micro and medium enterprises.

To find the relationship between new technology and it has improved the production capacity of MSMEs in Jodhpur region following hypothesis has been formulated and evaluated;

**H<sub>02</sub>: There is a no significant difference among new technology has improved the production capacity of MSMEs in Jodhpur region.**

**H<sub>12</sub>: There is a significant difference among new technology has improved the production capacity of MSMEs in Jodhpur region.**

**Table 5: Test of Homogeneity of Variance for New Technology**

Test of Homogeneity of Variances			
Levene Statistic	df1	df2	Sig.
.684	1	53	0.284

**Table 6: ANOVA for New Technology**

ANOVA						
		Sum of Squares	df	Mean Square	F	Sig.
NT	Between Groups	0.128	1	0.421	2.988	0.041
	Within Groups	27.256	53	1.258		
	Total	27.384	54			

Levene’s Test for Equality of Variance is performed to test condition that the variances of both samples are equal or not. High-Value results normally in a significant difference, but in **Table 5** result sig. =0.284, which could interpret as no equal variance for MSM enterprises of Jodhpur region.

In **Table 6** the variation (Sum of Squares), the degrees of freedom (df), and the variance (Mean Square) are given for the within and the between groups, as well as the F value (F) and the significance of the F (Sig.). Sig. indicates whether the null hypothesis – the population means are all equal – has to be rejected or not. As it can see, there is a good difference between the two Mean Squares (0.421 and 1.258), resulting in a nonsignificant difference (F = 2.988; Sig. = 0.512). The Sig. value is higher than the Sig. level of 0.05. This means that **H<sub>02</sub> must be rejected** which states there is a significant difference among new technology has improved the production capacity of MSMEs in Jodhpur region.

The obtained results revealed that there are skill efficiency differences among the micro, small and medium enterprises and the latest technology has a significant impact on the productivity of MSMEs.

The examination found that the MSMEs arranged in Jodhpur locale are outfitted with new technology or recent innovation in their generation procedure that outcomes in excellent items and practical creation. The outcome shows that there is a relationship between new technology and the production capacity of all three enterprises under consideration of Jodhpur region.

Also, it has been found with the previous researches as by **Moorthy et al., (2012)**, the Information Technology plays a very important role in storing information as well as communicating with customer, suppliers and business partner who will facilitate the business transaction. As a result, it will lead to better performance in reducing the operating expenses as a whole and improve the production capacity of those enterprises as well.

Accordingly, it will prompt a superior execution in lessening the working costs all in all. **Charles Akomea-Bonsu and Frank Sampong (2012)**, concurs that the MSM enterprises utilize ICT (Information and Communication Technologies) to enhance business units and furthermore the organization's yield has expanded after the adaption of ICT. ICT expands the pace and spare time utilized as a part of a generation and expanded yield to take care of the demand of customers. Since customers these days focus on quality and this tends to build the offers of firms that embrace ICT in their business.

**CONCLUSION**

The central aim of this study is to look at how, inside a decent work viewpoint, nations can build up their economic growth to increment both the amount and the profitability of work utilized in the economy with the help of skill efficiency and technological advancements in MSME’s of Jodhpur region. In this way, usually, the objective of the study is to find out various skills efficiency differences amongst the MSMEs in Jodhpur region and to ascertain whether new technology has improved the production capacity of MSMEs in Jodhpur region. The report, therefore, investigated on how methodologies to adopting advanced technologies and skill enhancement practices by the MSME’s helped the nations to generate employment and economic development.

In this way, this makes an enormous demand-supply gap at the enterprise level. It might be the circumstance that in spite of the fact that industry is developing the general population living in that region isn't employable because of the absence of skills. This study is intended to examine the several issues

related to the development of industry, even in MSME areas too. Whatever might be the idea of industry, micro, small or medium without skill and technology advancement these can't meet the enterprise's prerequisites. Also, we can't expect that the enterprises like sustenance handling, sericulture, patio poultry cultivating, are where specialized abilities are required. Yet the issue is that neither they have the framework nor they have the sufficient fund for preparing of those individuals who are unskilled.

Thus, failing to get an opportunity in local industries the unskilled employees are migrating to do some odd jobs for survival purposes and facing both financial as well as physical exploitation. This is a situation which is ultimately affecting the overall productivity of all type of enterprise whatever they are micro, small and medium enterprises. Thus, in order to adjust this demand-supply gap, sector-specific training module should be developed. In any case, before that, the framework or example of training framework needs a few changes. The conventional instructive framework will no more influence the understudy business to prepare.

The need of the hour is to introduce vocational and skilled based education system from the day one. Unless and until the prospective job seekers will not get future opportunities through a structured education system, the same will not work in their favor.

### SUGGESTION

MSME's member's perception is taken as a strategic tool assessing the impact of these enterprises on employment generation and economic development and also for evaluating its efficacy with special reference to skill efficiency and technological advancement in selected enterprises of Jodhpur. For better implementation of skill efficiency and technological advancements and related practices MSME's should focus on following issues:

Following are the suggestions for the MSME's;

1. Application of technology can't be ignored
2. Current players ought to be given sufficient importance to technology advancement.
3. Technology adaptation should be done to tap the future market.
4. MSME's are ready to support skill enhancement on a long-term basis.
5. Technology training should be given on priority and a separate cell should be developed for this purpose only.
6. A budgetary allocation for this purpose may become helpful.
7. Remove inadequacy in deployment and standardizing of skill efficiency practices in all functions.
8. The MSME's should take less time for the solving queries and problems.
9. The administration should focus on convenience, applicability, reliability, ease of use like factors for successful implementation of all its technological practices.
10. Proper training activities should be organized to bear out a particular type of work.

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