An Empirical Analysis of Training Facilities in Micro-Small-Medium Enterprises (MSME) for Self-Help Groups (SHG)

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Abstract

The article presents the findings from the study on the training facilities in Micro-Small-Medium Enterprises (MSME) for Self-Help Groups (SHG) in the Union Territory of Puducherry region. The research variables were adopted in accordance to the legal provisions of SHG. Primary data of 127 random sample of MSMEs was collected through a survey method using structured questionnaire. Results show that 63% of the MSME has not undertaken any training for their suppliers, while a good proportion of the companies consisting of 15.7% have provided between 1-2 trainings. The study argues that the policy maker should identify large number of economically development-oriented skills and include them in training programmes to encourage increased development of microenterprises.

Keywords: Micro-Small-Medium Enterprises, Self-Help Group, Development Oriented Skills

1. Introduction

Microenterprises have served several purposes such as in economic development of the individual, employment generation,

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community economic development, poverty alleviation and empowerment to the various strata in society. In India, much of the population living in rural areas draw their livelihood from agriculture and its allied sectors. Therefore the aim of the government has been to promote employment opportunities through the linkage of production, skills along with the available raw materials (Vasanthakumari, 2012). Such production enhancement is to enable the people to take advantage of the new pace of globalisation which has provided new opportunities and newer challenges for the microenterprise sector in India.

The microfinance scheme was also introduced as a measure to reduce poverty by providing access to finance to the vast number of poor in India (Adams, 2009). Microfinance consists of two types of schemes; the first is an individual lending scheme and the second, the more popular group lending scheme. Microfinancing has been introduced to enable poorer sections to commence and operate economically viable activities through the formation of microenterprises as Self Help Groups (SHGs). The SHGs are small groups being formed for savings, developing thrift and obtaining collateral free loans called microcredit(Shanmugam, 1991). This microfinance has helped create microenterprises started by Self Help Groups. These microenterprises have been formed by the SHG to run operations pertaining to sustainable income generating activities (Awa, Kalu, & Awara, 2010).

Microenterprises development has been another important area for the development of the poor. To ensure capacity building and better sustainability of the microenterprises which have been started by the poor, the government has desired to undertake social mobilisation of the poor through the mechanism of Self Help Groups (SHG). This has worked involving the concept of thrift, progressive lending, participatory activities and economically sustainable activities. The government has desired that the system of group lending through SHG needs to be made more secure through the methods of SHG gradation to ensure better impact. The government has noted that the SHG have certain intangible strengths such as group cohesion, articulation of common demand and use of local resources. The government also noted and suggested the method of handholding for the SHG and its

supporting organisations to ensure the development and sustainability of the SHG. Another concept that the government has introduced is that of federating of SHG which will help in the reducing the external dependency of the SHG for market information, technical advice and resolving the conflicts that arise in interests of various groups. Further, the poverty eradication programme can be enhanced by improving the wage-employment prospects of the SHG members and the self-employment prospects through better and appropriate training programmes. The government also feels that to capture the opportunities of globalisation and liberalisation the government should perform a skill training programme linked to placements or the placement linked skill enhancement programmes specifically in the areas of textiles, leather, gems, and jewellery, and retail chains which can be catering to the present shortage of labour (Mahalakshmi, 2010).

The Indian Government has promoted several important poverty alleviation schemes in different areas as depicted below: Intensive Agricultural Area Development Programme, 1971-72 (IAADP), Drought Prone Area Programme, 1971-72 (DPAP), Hill Area Development Programme, 1973-74 (HADP), Command Area Development Programme, 1974-75 (CADP), Tribal Area Development Programme, 1974-75 (TADP), Integrated Rural Development Programme, 1976-77 (IRDP). Jawahar Rozgar Yojana (JRY)-Rural Employment Guarantee Program and Mahatma Gandhi National Rural Employment Guarantee Act, (MGNREGA), 2005 (Planning Commission Reports-6th 5 year plan, 12th 5-year plan).

The report has noted that the rate of development and graduation of the poor out of poverty have been slower due to the unfavourable domestic climate such as low investments in agriculture, inappropriate agricultural policies, underdeveloped markets, poor rural infrastructure, low levels of production, poor agricultural financial services and depleting natural resources particularly water. These external conditions have created an environment which has made it risky for the smallholders to profitably produce products. Added to this is the changing policies on international trade and market opportunities which are also developing the growth of global agricultural supply chains. Still,

the government's development of agricultural marketing chains has helped in not only improving the value of products being made but also have an impact on providing demand for labour and services as to create opportunities and reduce risks in the marketing of agricultural products. Therefore, moving out of poverty depends on the productivity, dynamism and innovation in the rural economy which in turn depends on the skill development and education which can help the population to take advantage of the new economic opportunities in the farm sector and non-farm sector in the rural and beyond the rural areas. Such skill development can be made through the investment in primary, technical and vocational skills in both agricultural and non-agriculture areas. Therefore concentrating on specific issues for rural development such as infrastructure, financial services, agricultural research, and education should contribute to better solutions for development and in assisting the population in climbing out of poverty. Another area of study pertaining to the present research study pertains to the scheme of microfinance, which has taken important strides of development in the high population, high poverty conditions of developing countries including India and this study will help to answer the research questions of the training facilities in Micro-Small-Medium Enterprises (MSME) for Self-Help Group (SHG) in the Union Territory of Puducherry region.

2. Review of Literature

In India in accordance with the provision of the Micro, Small and Medium Enterprises Development Act (MSMEDA) of June 2006, the Micro, Small and Medium Enterprises can be classified as

a)   Micro Enterprises: Manufacturing Sector: Those Enterprises which do not have investment in Plant and machinery Greater than Rs. 25 lakhs. Service Sector: Those Enterprises which do not have an investment in equipment's greater than Rs.10 lakhs.

b) Small Enterprises: Manufacturing Sector: Those enterprises which have an investment in plant and machinery greater than Rs. 25 lakhs but less than Rs. 5 Crores.

Service Sector: Those enterprises which have an investment in equipments greater than Rs. 10 lakhs and not greater than Rs. 2 Crores.

c) Medium Enterprises: Manufacturing Sector: Those enterprises which have an investment in Plant and machinery Greater than Rs. 5 Crores but does not exceed Rs. 10 Crores. Service Sector: Those Enterprises which have an investment in equipments greater than Rs. 2 crores but does not exceed Rs. 5 Crores. The rest of the industries have been categorized as large scale enterprises (Source: Ministry of Micro, Small and Medium Enterprises).

The factors that have to be considered and analysed for the successful operation of microenterprises and before starting the activities of a microenterprises by an individual are the amount of required investment, marketability of product, number of workers available, geographical distribution of market, skill and technology availability, availability of raw materials and profitability of product (Doh, 2005). The tasks of a microenterprise entrepreneur require multiple skills and their functions need to be analysed properly in the course of becoming an entrepreneur. Some of the important tasks before an entrepreneur are in areas of finding business opportunities, forming business plans, using production skills, understanding and using financial statements, acquiring funding, understand legal aspects, learning marketing skills and managing risks of functioning (De Mel, McKenzie & Woodruff, 2009).

Poverty can be described as a pronounced deprivation of wellbeing of an individual which can also be stated as not being able to satisfy basic needs because one possesses insufficient money to buy the needed materials and services. Poverty as a condition exceeds all social and political boundaries (Midgley, 2008). The Gujarat Institute of Development Studies has described poverty as "Poverty is described as a situation of pronounced deprivation in wellbeing, in other words being hungry, lacking shelter, to be sick and not being cared for, to be illiterate which leads to earning below the margins of existence and which can be described in other words as where the survival need exceeds the income of the individual". Poverty can be viewed through a multiplicity of factors and in not just income and calorie intake but also access to

credit, nutrition, health care, literacy, sanitation and other such access to social infrastructural facilities which are needed (Siddhartha, Nambirajan & Ganeshkumar, 2017).

According to the United Nations Development Program's (UNDP) description, poverty is related to income and people are said to be in poverty when they have been deprived of income to meet diet, material goods, amenities, standards and services. In India, the Planning Commission of India has provided a guideline to measure poverty, that is per capita expenditure of less than Rs. 972 per month in rural areas and less than Rs.1407 in urban areas is treated as the poverty line. (Planning Commission Report of Expert Group for Review of Methodology for Measurement of Poverty-June 2014) which translates to approximately less than Rs.33 per day for rural areas and less than Rs.48 per day in urban areas as living below the poverty line (Kumar & Mohan, 2015).

Poverty can be described using various terminologies such as Absolute Poverty which refers to the state of severe deprivation of basic human needs which commonly includes food, water, sanitation, clothing, shelter, healthcare, education and information. Chronic Poverty refers to the time period of poverty that the person is affected by. The poverty that lasts a long time such as into many years, a lifetime or even more than one generation is referred to as chronic poverty, while Transitory Poverty refers to situations wherein persons move in and out of poverty for short periods of time due to disease, unemployment and social changes. Recurrent Poverty pertains to being in and out of poverty many times over a time period. Poverty Breadth refers to the different dimensions and the many ways the people are affected by poverty, which can be in terms of lack of assets, lack of income, lack of nutrition, lack of health, lack of education or lack of status, lack of inclusion, marginalisation and lack of access to common services such as financial and other services etc. Poverty Depth refers to how far below the poverty line the person exists. Positions far below the poverty line have been denoted as deep poverty, ultra-poverty, absolute poverty or extreme poverty (Thorp, Stewart & Heyer, 2005). Poverty in a country can also be evaluated by means of the exit-to-entry ratio of poverty which shows the percentage of persons who have exited the poverty and the percentage of persons

who have entered into poverty conditions within a given period of time. For example, an exit-to-entry ratio of 2.5:1 indicates that there is sufficient development for the state with the exit being denoted greater than entry. Poverty always needs to be understood through its linkage to social vulnerability, social protection and development which provides an important means to identify the development activities for the poor (Ganeshkumar & Nambirajan, 2013b).

Poverty is caused by the individual circumstances of the person. Some of the factors that can affect poverty are human capabilities such as education level, skill, experience, intelligence, health, handicap, age and work orientation. Social structure affects through culture, discrimination, race, sex etc. The external factors which can induce poverty are agricultural cycles, natural disaster, droughts, floods, failure of crops, limited access to natural resources, agro-climatic conditions of the region etc. The broad causes of poverty can also be classified by another manner namely, Economic Causes, Governance causes, Demographic and Social Causes and Environmental Causes. The Economic Causes mostly being unemployment, trade policy, tax policies, land distribution and ownership. The Governance Causes may be lack of democracy, poor law and order, poor management of resources, lack of infrastructure, large scale corruption and poor developmental opportunities. Social Causes may be caste divisions, bondage, gender discrimination, social exclusion and domination of select groups. The Demographic Causes may be overpopulation, crime, post-communism, war, discrimination, poor health conditions, diseases, individual and religious belief. Environmental Factors may be the fertility of land, availability of water, availability of minerals, other natural resources, seasonal drought, natural calamities, soil erosion etc.   The incidence of poverty is known to produce a cycle. The cycle of poverty indicates that events when once started is more likely to continue unless stopped through outside intervention. The cycle of poverty or the poverty cycle is shown below:

Low family -> Less access to food, water, education, healthcare -> Poor Education -> Few Work opportunities -> Unemployed -> Low family income (Kumar, 2010)

Therefore, it can be understood that poverty is caused by the circumstances of the individual or family brought about by the shifting nature of income and changes. The personal factors which cause no pay/low pay conditions may be any of the factors provided here, such as lack of qualifications/skill, health problems, disability, debt, attitude and personality of the person and for women childbirth and child rearing. It can be noted that the high populations to have a significant effect on the per capita incomes, food availability, clothing, education, employment, environmental deterioration leading to poor quality of life. Therefore, it can be inferred that the population growth has an impact on the economic status of the population and remedially to make this impact favourable to the country there can be sufficient interventions to enable the development of the human resources which ultimately lead to the appropriate utilisation of the available human resources for development. Also with the unending flow of the rural population to the cities and towns in search for a better living and employment has led to several instances of urban poverty to rise which can be inferred through pavements dwellings. Also, the breakdown in the joint family systems also which has traditionally acted as a safety net against poverty has also increased the incidence of poverty. Putting it briefly poverty can be understood as the result of a trap caused by the weak endowments of natural resources such as physical resources, financial resources, social resources and human capital resources. However, the specific reasons that lead households to fall into poverty are through the situations of shock such as ill health, poor harvests, high social expenses, social conflicts and natural disasters. Therefore the enormous task of mobility out of poverty is the availability of opportunities, market situations, infrastructure and the supportive role of enabling institutions and good governance(Ganeshkumar & Nambirajan, 2013a). As per the planning commission report of 2011, the composition of the poor has been changing with rural poverty being concentrated in agricultural labour households and also the artisanal households and who constitute 41% of the rural poor population. Casual labour accounted for 56.5% of below poverty population in the urban areas but the incidence of poverty is highest among the agricultural labours of the rural poor. It was also reported that among the children of India under 15 years of

age, 44% of the children in rural areas and 32% of the children in urban areas were in living in families of below the poverty line (Government of India, 11th five-year plan). The government has made efforts to tackle the high incidence of poverty through the implementation of self-employment schemes, using the mechanism of the cluster approach, capacity building, skill upgradation and infrastructure building in marketing and technology(Basargekar, 2008).

Table 1: Poverty Statistics of India

Year	Poverty Percentage (%)			Number of Poor(million)		
	Rural	**Urban**	**Total**	**Rural**	**Urban**	**Total**
1973-74	56.4	49.0	54.9	261.3	60.0	321.3
1977-78	53.1	45.2	51.3	264.3	64.6	328.9
1983-84	45.7	40.8	44.5	252.0	70.9	322.9
1987-88	39.1	38.2	38.9	231.9	75.2	307.1
1993-94	37.3	32.4	36.0	244.0	76.3	320.3
2004-05	28.3	25.7	27.5	220.9	80.8	301.7
2011-12	25.7	13.7	21.9	216.6	53.1	269.7

(Source: Planning Commission Report of Expert Group to Review the Methodology for Measurement of Poverty (2014), Press Note on Poverty Estimates (2013).

Since countries vary in terms of economic development, rate of economic growth, depth of poverty, size of agricultural and rural sectors all of which creates different opportunities for growth, therefore the areas to focus on development will vary in the different regions according to their contexts of development. Poverty is associated with many ills of the society and in fact the ills of mankind itself, such as hunger, unemployment, homelessness, illness, powerlessness, victimisation and social injustice. Poverty also leads to feelings of negativity, inferiority, passiveness, hopelessness and powerlessness. Poverty can lead to adverse impacts on health, nutrition, education, skill development, employment, social development etc. Poverty has robbed many segments of the population of the basic standard of living and has robbed them of acceptable levels of consumption and development. Poverty has also been considered as a threat and hurdle to sustainable development in many of the developing countries. It is known to bring a huge economic loss by wasting the energies and potential of millions of men and women by diverting them from socially productive activities that could create wealth for the

society and the country. On the negative social side, poverty acts as a reservoir for social evil such as crime and communicable diseases. It has also been widely held that poverty acts as an important factor for the outbreak of violence and hence has an impact on all parts of the society which become adversely affected by it. Persistent poverty leads to social discontent and slowly to violence inside the society due to economic hardships and lack of economic activity. A statement which indicates it all that "greed, need and grievance acts as the factors" leading to violence brought about by extreme poverty conditions (Kumar, Murugaiyan & Madanmohan, 2017).

The alleviation of poverty has been the primary aim of the government in India as it is the aim of all developing countries. Since poverty is a result of many ills in society, the Governments has introduced and developed a separate important and independent measure for the elimination of rural poverty such as food security, microfinance programmes, marketing infrastructure development and livelihood promotion methods. Reduction of poverty is being done through various methods adopted by the government such as boosting of investment in various areas of road development, power, irrigation, telecommunications, rural markets and town centres. It can also be done by the development of supporting rural services such as health, education, rural technology, technology dissemination and productive management of the natural resource. Development of institutions that provide infrastructure to the rural poor. Developing the rural financial system for supporting investments and savings and encouraging private investment in agriculture and rural non-farm sector. Specifically methods of poverty alleviation that the government has undertaken in the area of rural poverty mitigation are, increasing knowledge and skill of farmers in the form of agricultural technology, conducting practical training in agriculture, conducting work demonstrations, providing medical and technical support for animal husbandry, widely developing irrigation agriculture and improving water harvesting schemes.

Certain poverty alleviation schemes pertaining to health, hygiene and nutrition have been in areas of, primary health care schemes, provision of safe drinking water, universalisation of primary education, housing assistance to the shelterless, nutrition support,

streamlining of public distribution and connectivity of the unconnected villages. Some of the other social protection measures for poverty abatement includes unconditional cash transfers, conditional cash transfers, such as for a person for attending school, conditional cash transfers linked to social work, transfer of agricultural inputs such as fertilizers and seeds, asset transfer such as machinery and subsidised food transfer. The Public Distribution System is another intervention of the government for the reduction of poverty among the public through the distribution of rice, wheat, sugar, dhal and cooking oil being distributed through the network of fair price shops at a subsidised rate. Furthermore, the government has also introduced the targeted Public Distribution System wherein the below poverty line families were given more subsidised food grains than the other families. Some of the other measures that the government has considered for the abatement of poverty through the supply of food materials pertain to removing of micronutrient malnutrition through micronutrient supplementation, dietary diversification, nutrition education and food fortification. The government has also aimed at dietary diversification which is the means of increasing the range of micronutrient-rich foods consumed through an increase in availability (Gebremariam, Gebremedhin & Jackson, 2004).

Microenterprises operations need certain important services that may assist in their development. Such services can be provided by any agency which has the potential and interest to perform them. Some of these services that can be provided are business development services, information on potential markets, product design, service centres for office space, communication technology, finance for product development, legal and any other professional advice. Such services, when accessed by the microenterprises, help them in vastly improving their performance leading to successful operations (Gebremariam et al., 2004). In India according to the statistics of Ministry of Micro, Small and Medium Enterprises, Micro, Small and Medium Enterprises (MSME) contribute almost 8 percent of India's GDP, 45 percent of the manufacturing output value and also 40 percent of the exports. Micro, Small and Medium Enterprises also provide the largest share of employment next to agriculture (Ministry of Micro, Small and Medium Enterprises:). They have also become nurseries for entrepreneurship and

innovation to develop. Micro, Small and Medium Enterprises have a wide geographical dispersion across the country and have developed the capacity to produce a diverse range of products and services to meet the needs of several markets, both local and global and in taking part in contributing to the national and international supply chains (Heilman & Chen, 2003).

3. Research Methodology

The purpose of the research work is to analyse and describe the training facilities in Micro-Small-Medium Enterprises (MSME) for Self-Help Group (SHG) in the Union Territory of Puducherry region. It can be hence understood that the research is descriptive in nature. First, subject experts' options survey was conducted on the identified variable for questionnaire validity checking and required corrections were incorporated (Ganeshkumar & Mohan, 2014; Ganeshkumar & Nambirajan, 2013a). The pilot survey of 30 MSMEs was collected and initial Cronbach's-alpha value was estimated for checking the reliability of the questionnaire with Scale Mean if Item Deleted is 20.85, Corrected Item-Total Correlation: 0.496, Squared Multiple Correlation: 0.598 and Cronbach's Alpha if Item Deleted: 0.75. Primary data for the main study was collected through the survey method of 127 random samples of MSMEs which were identified from the list of population from SHG maintained in the various banks, NGOs and municipal bodies. The data was collected from the executives of MSMEs by means of a well-structured questionnaire. The statistical package of SPSS was utilised to analyse the data using the statistical tools descriptive statistics with frequency analysis and simple mean, and Analysis of Variance test (Hair, Black, Babin, Anderson & Tatham, 2006).

4. Results and Discussion

Data analysis and interpretation of the sample Micro-Small-Medium Enterprises (MSME) studied is portrayed in this section. Details such as number of training to suppliers, the difference between the type of industry with training facility and association between categories of industry with number of trainings to

suppliers are analysed in the following section (Jamshi & Ganeshkumar, 2017).

4.1 Number of Trainings to Suppliers

Purchasing of products involves the supplier and his supply quality. To ensure this required quality of the sourced products organisations undertake training for suppliers. Such training helps in the improvement of the supply of the raw materials and components. The frequency of training can help determine the effort of the companies in improving the quality of sourced materials. The number of trainings undertaken for the suppliers and the frequency distribution is shown in the table below.

Table 2: Number of Training to Suppliers

Number of Training Provided to Suppliers	Frequency	Percent
None	80	63.0
1-2	20	15.7
3-4	13	10.2
5-6	4	3.1
Above 6	10	7.9
Total	127	100.0

From the above table, it can be inferred that majority comprising of 63% of the companies have not undertaken any training for their suppliers, while a good proportion of the companies consisting of 15.7% have provided between 1-2 trainings. A considerable proportion consisting of 10.2% have provided 3-4 trainings and a small proportion consisting of 7.9% of the companies have provided above six times training to suppliers per year. A very small proportion of the companies comprising of 3.1% of the companies have provided about 5-6 trainings to the suppliers.

Table 3: Mean Analysis of Training Facilities

Training Facilities	Mean	Ranks
Willing to train SHG	3.06	I
Facilities to Train SHG	2.74	II
Is training a necessity for suppliers	2.64	III

From the above table, it can be inferred that the aspect of training ranked first with a mean value of 3.06 pertains to Willingness to Train SHG members. This indicates that a large number of MSME are willing to conduct training programs for the benefit of SHGs and themselves though the mean value of 3.06 also indicates that this aspect has not been strongly convinced within the MSME. The aspect which has been ranked second with a mean value is 2.74 pertains to the availability of facilities to train SHG. The low men value indicates that organizations do not have sufficient facilities and lack such facilities to train SHGs. The aspect ranked third and last indicating a mean value is 2.64 pertains to Is training needed for suppliers, which shows that MSME does not feel that training is needed for suppliers.

4.2 ANOVA - Type of Industry and Training Facility

The ANOVA test to find the significant difference between the demographic variables, Type of Industry and Training Facility is shown below.

Table 4: ANOVA Test result for significant difference between Type of Industry and Training Facility

Factor	Category of Industry	Mean	Std. Deviation	F value	p value
Training	Chemical	9.06	3.065	1.479	0.164
	Food	8.83	1.602		
	Textile	8.17	2.483		
	Plastics	7.62	3.192		
	Engineering	8.91	2.091		
	Pharmaceuticals	11.14	3.237		
	Electronics	6.12	1.027		
	Glass	8.33	1.528		
	Paper	8.54	3.357		
	Other	8.14	2.742		
	Total	8.43	2.891		

Since p-value is greater than 0.05 the null hypothesis is accepted at a 5 percent level of significance with regard to the training facility. Hence it is concluded that there is no significant difference between

the type of industry and training facility. Training facility and type of industry link is slightly higher in the pharmaceutical industry, Chemical industry, engineering industry and Food industry but not significant at 5% level.

4.3: ANOVA - Type of Product andTraining Facilities

The ANOVA test to find the significant difference between the demographic variables, Type of Product and Training Facility is shown below.

Table 5: ANOVA Test results for significant difference between Type of Product and Training Facilities.

MSME Opinion	Type of product	Mean	Std. Deviation	F value	P value
Training Facilities	Raw Material	11.75	2.605	2.326	0.078
	Component	13.92	4.003		
	Finished Product	13.38	4.512		
	Packing Product	11.28	5.216		

Since p-Value is greater than 0.05 the null hypothesis is accepted at a 5 percent level of significance with regard to the training facility. Hence it is concluded that there is no significant difference between the type of product produced and training facility. The training facility is slightly higher for the component industry and finished products but not at a significant level.

4.4 ANOVA - Turnover of Industry andTraining

The ANOVA test to find the significant difference between the demographic variables, Turnover of Industry and Training is shown below.

Table 6: ANOVA test results for significant difference between turnover of industry and Training.

Factor	Turnover	Mean	Std. Dev	F value	p value
Training	Upto 1	8.60	3.026	1.088	0.357
	1-5	8.71	2.839		
	5-25	7.76	3.032		
	Above 25	7.00	2.894		
	Total	8.43	2.891		

Since p-Value is greater than 0.05 the null hypothesis is accepted at a 5 percent level of significance with regard to training facilities. Hence it is concluded that there is no significant difference between industry turnover and opinion on training. Training facilities and industry turnover link are slightly higher for industries with a turnover of up to 1 crore and 1-5 crores but not at a significant level.

4.6 Correspondence Analysis for the Association between the Category of Industry and Number of Trainings to Suppliers

The correspondence analysis to determine the association between the category of industry and the number of times training has been presented below.
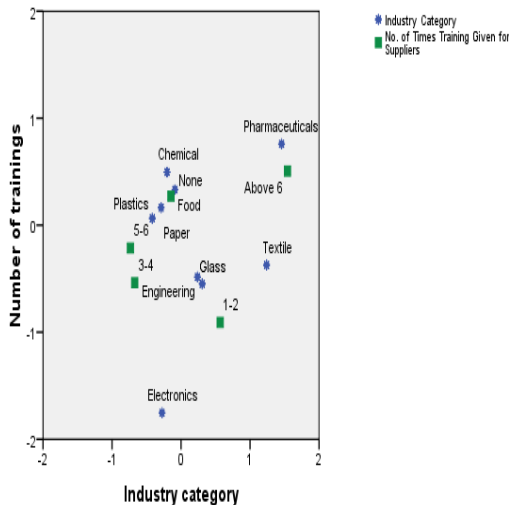

Fig 1: Correspondence Analysis Chart – Industry and Training

From the above chart, it can be inferred that pharmaceutical and textiles and above six trainings are closely associated. Glass and engineering industry and one to two trainings are closely associated. Food, chemicals and no training are closely associated whereas plastics and five to six trainings are closely associated.

4.7 Correspondence Analysis for the Association between Size of Industry and Number of Trainings to Suppliers

The correspondence analysis to determine the association between the size of industry and number of training has been presented below.

Fig 2: Correspondence Analysis Chart – Size and Training

From the above chart, it can be inferred that Micro-scale, Small scale industry and no training are associated. Medium scale industry and above six trainings and 5-6 trainings and 3-4 trainings are closely associated. Large scale industry and 1-2 trainings to suppliers are associated. From the above chart, it can be concluded that medium scale industries are associated with the most training to the suppliers in comparison to other scales of industries.

5. Conclusions

This research concludes that majority comprising of 63% of the companies have not undertaken any training for their suppliers, while a good proportion of the companies consisting of 15.7% have provided between 1-2 trainings. Training ranked first with a mean value of 3.06 pertains to Willingness to Train SHG members. This indicates that a large number of MSME are willing to conduct training programs for the benefit of SHGs and themselves. Though the mean value of 3.06 also indicates that this aspect has not been

strongly convinced within the MSME. ANOVA analysis concludes that there is no significant difference between the type of industry and training facility. Training facility and type of industry link is slightly higher in the pharmaceutical industry, chemical industry, engineering industry and food industry but not significant at 5% level and there is no significant difference between industry turnover and opinion on training. Training facilities and industry turnover link are slightly higher for industries with a turnover of up to 1 crore and 1-5 crores but not at a significant level.

Correspondence analysis concludes that pharmaceutical and textiles and above six trainings are closely associated. Glass and engineering industry and one to two trainings are closely associated. Food and chemicals and no training are closely associated. Plastics and five to six trainings are closely associated and Micro-scale, Small scale industry and no training are associated. Medium scale industry and above six trainings and 5-6 trainings and 3-4 trainings are closely associated. Increased training on quality testing and quality control should be made a priority by obtaining training through Banks and NGOs. Since good proportion of the groups have elicited desire on mechanisation, good training in machine operated production and machine utilisation should be acquired by SHG. Since training has a strong influence on the MSME link, the first step in obtaining MSME link is through sufficient training in specified and required areas.

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