

A STUDY OF THE IMPACT OF SKILL PROFICIENCY OF EMPLOYEES ON THE GROWTH OF SMALL ENTERPRISES: A STUDY OF ENTERPRISES OF BHOPAL DISTRICT

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Abstract

Meaningful economic development of any country depends on its demography, accumulation and availability of resources such as man, land, capital, enterprise and entrepreneurship and the use of new technology. At present, due to relatively high recession, fluctuations in international trade and high unemployment has doubled. Along with this, due to the country's recession, fluctuations in international trade and high unemployment, the interests of industrialized countries are also continuously being harmed. If we keep this in mind, it can be easily realized that to maintain the increasing demand and create employment opportunities, there is a need for such an entrepreneur who can bring something new with his ability, can utilize the economic opportunity and start it. The process of integrating resources to create value and utility for end users is known as entrepreneurship

Keywords: Skill proficiency of employees, growth of small enterprises.

1. INTRODUCTION

Small enterprises play an important role in economic growth and contribute 29.7 percent of gross domestic product and 49.66 percent of exports. The sector employs about 60 million people through 28.5 million enterprises, followed by the agriculture sector. Micro, Small and Medium Enterprises act as supporting units to large industries and form an integral part of the value chain to create conducive environment for indigenous skills, grassroots innovations and entrepreneurship development. The sector produces a wide range of consumer goods ranging from ordinary consumer goods to high-precision, sophisticated finished products.

In India, micro, small and medium enterprises include both 'traditional' and 'modern' small industries. There are eight subgroups in this region. These are handloom, handicrafts, coir, sericulture, khadi and village industries, small scale industries and power plants. M.S.M.E. Khadi and village industries and coir sector are other major contributors to the development of India. Many global companies are looking to Indian MSMEs for strategic partnerships of mutual benefit due to low-cost manufacturing and innovative capabilities coupled with local skills and capabilities.

Small scale entrepreneurs play an important role in the economic development of the country as they provide maximum employment after agriculture and also balance regional development. These entrepreneurs are considered to be the most important economic agents in enhancing the economic growth of a nation as they require low capital investment, they act as owners, innovators, risk takers, producers, decision makers and market makers. Small scale entrepreneurs are people who own small businesses with a small number of workers and their sales volume is not high, they are primarily privately owned and operated, they can be sole proprietorships, corporations and Partnerships take place and play an important role in the economic development of the country.

The central and state governments are making a lot of efforts to encourage people to start their own businesses. Various schemes, financial facilities, loans, skill development and training facilities are provided by the government. As a result a large number of entrepreneurs registered themselves with MSMES. We find that due to continuous efforts of the government MSME has been able to register more than 48 lakh entrepreneurs in India as on 18th July 2018. Skill development is a process that helps in making specific skills more efficient and effective. There are three main types of skill development that an employee receives in their workplace-

1. Upskilling - in which the employee has to improve his skills in his current role.

2. Cross-Skilling - under which the employee assimilates new skills for his current role. And
 3. Reskilling - in which the employee learns new skills so that he or she can move into a new role.
- However, the employee is not required to be part of a workplace program to further develop their skills. You may be studying or training, unhappy with your current job, wanting to apply to a new company or seeking a promotion. Thus a person can develop his skills during his studies, during training or while working at the workplace or even for personal reasons.

The most important thing in skill development is to set a goal individually or collectively. After setting the goal, identifying and improving the skills in the areas related to the goal is included in the second phase of skill development. At the same time, it is also necessary to recognize the differences in related skills. Recognizing gaps in related skills plays an important role in targeting specific skills. Some common skills include communication, management, time management, adaptability, creativity, critical thinking and teamwork. Along with these general skills, it is important to acquire another important aspect of skill development, technical skills.

The European Skills Year 2022-23 provides a very important direction for policy makers, education and training institutions, entrepreneurs, workers, citizens on the relevance of developing employees' skills with professional careers for SME cohesion. At its core, investing in the skill development of employees through upskilling and reskilling is a successful and fair transition towards a digital future. In this regard, according to Véronique Willems, Secretary General of SME united in Porto, - "SMEs, supported by their business organizations, social partners and social platforms where training funds exist, are committed to meeting the goals agreed at European level on the action plan of the European Pillar of Social Rights. Play an important role in doing."

Skill development has been facilitated by the organization of certain programs, educational institutions and training centers. Skills are of various kinds, within an organizational structure it is essential on the part of the management to develop leadership skills amongst themselves such as motivating people, decision making and communication. In India, rural masses are still in a backward condition, steps therefore have been implemented to develop skills amongst them for the purpose of obtaining self-sufficiency in running the Small scale industries and enhance the employability of small scale industries in India. For India, skill development is also critical from both socio- economic and demographic point of view. For the economy to grow at 8% to 9%, with the targeted growth rate of 10% for secondary, 11% for tertiary and 4% for agriculture sectors, a multi-faceted and highly efficient skill development system is imperative. Further, India is destined to be a contributor to the global workforce pool on account of demographic bonus, with the growth rate of higher working age population as compared to its total population and home to the second largest population (with a headcount of around 1.4 billion by 2025) in the world with distinct advantage of having the youngest population with an average age of 29 years as against the average age of 37 years in China and the US and 45 years in Western Europe (FICCI, 2014).

2. OBJECTIVES FOR STUDY

1. To study the impact of skill efficiency of skilled employees on small enterprises.
2. To study the impact of skill inefficiency of unskilled employees on small enterprises.

3. HYPOTHESIS FOR STUDY

There will be no significant difference found on growth of small enterprises between skill efficiency for skilled and unskilled employees.

4. RESEARCH METHODOLOGY

The survey method of research used for the study. In which, despite the research problem being present oriented, past events have to be considered. For research purpose, descriptive survey is the most essential part of the entire research process.

Table 1

Statistical analysis for impact of skill efficiency of skilled employees on small enterprises of Bhopal

Sn	Particular	N	ΣX	Mean	ΣX^2	Std.Dev.
1	Amar Engineering Works	10	175	17.5	3077	1.2693
2	Almetal Industries	10	169	16.9	2885	1.792
3	Sainath Enterprises	10	160	16	2600	2.1082

4	Agarwal Paper Products	10	163	16.3	2689	1.8886
5	Ashok Enterprises	10	159	15.9	2553	1.6633
	Total	50	826	16.52	13804	1.7984

Source	SS	df	F Value	P Value	Significancy
Between-treatments	18.08	4	1.44872	.233681	Not Significant at 0.05
Within-treatments	140.4	45			
Total	158.48	49			

Table 2
Statistical analysis for impact of skill inefficiency of unskilled employees on small enterprises of Bhopal

Sn	Particular	N	ΣX	Mean	ΣX^2	Std.Dev.
1	Amar Engineering Works	10	116	11.6	1362	1.3499
2	Almetal Industries	10	112	11.2	1278	1.6193
3	Sainath Enterprises	10	76	7.6	606	1.7764
4	Agarwal Paper Products	10	86	8.6	826	3.0984
5	Ashok Enterprises	10	115	11.5	1335	1.1785
	Total	50	505	10.1	5407	2.501

Source	SS	df	F Value	P Value	Significancy
Between-treatments	139.2	4	9.36043	.000014	Significant at 0.05
Within-treatments	167.3	45			
Total	306.5	49			

Table 3
Statistical analysis for the impact on growth of small enterprises between employee's skill efficiency and skill inefficiency in Bhopal

Sn	Particulars	N	Mean	SD	SEM	SED	t value
1	Skilled Employees	50	16.52	1.7984	0.2543	0.436	14.7368
2	Unskilled Employees	50	10.10	2.504	0.3536		

Degree of Freedom = 98 P-value is less than 0.0001 Significant on 0.05 level

5. INTERPRETATION OF DATA

Table 1 shows a statistical analysis for impact of skill efficiency of skilled employees on small enterprises of Bhopal. In selected industrial unit, the mean and standard deviation of skilled employees of Amar Engineering Works found

17.5 and 1.2693, whereas the mean and standard deviation of skilled employees of Almetal Enterprises is 16.9 and 1.792, the mean and standard deviation of skilled employees of Sainath Enterprises is 16 and 2.1082, the mean and standard deviation of skilled employees of Agrwal Paper Products is 16.3 and 1.8886 and the mean and standard deviation of skilled employees of Ashok Enterprises is 15.9 and 1.6633. From the analysis of table, it is also known the f-value is 1.44872 and p-value is .233681 of skilled employees of Amar Engineering Works, Almetal Industries, Sainath Enterprises, Agarwal Paper Products and Ashok Enterprises which is not significant at 0.05 for degree of freedom 49.

Table 2, shows a statistical analysis for impact of skill inefficiency of unskilled employees on small enterprises of Bhopal. In selected industrial unit, the mean and standard deviation of unskilled employees of Amar Engineering Works found 11.6 and 1.3499, whereas the mean and standard deviation of unskilled employees of Almetal Enterprises is 11.2 and 1.6193, the mean and standard deviation of unskilled employees of Sainath Enterprises is 7.6 and 1.7764, the mean and standard deviation of unskilled employees of Agrwal Paper Products is 8.6 and 3.0984 and the mean and standard deviation of unskilled employees of Ashok Enterprises is 11.5 and 1.1785. From the analysis of table, it is also known the f-value is 9.36043 and p-value is .000014 of unskilled employees of Amar Engineering Works, Almetal Industries, Sainath Enterprises, Agarwal Paper Products and Ashok Enterprises which is significant at 0.05 for degree of freedom 49.

Table 3 shows the mean score for the the impact on growth of small enterprises between employee's skill efficiency and skill inefficiency in Bhopal, from assumed mean the responses of skilled employees marked as

category 1 and the responses of unskilled employees marked as category 2. Respectively for both category 1 and 2, the mean score is 16.52 and 10.10 similarly the standard deviation is reported 1.7984 and 2.504 and the standard error of mean is 0.2543 and 0.3536. In accordance to table it is come to know that the t-value for the impact on growth of small enterprises between employee's skill efficiency and skill inefficiency of employees in Bhopal district is 14.7368 and the significance value (P-value) is less than 0.0001 for the same. By convention criteria, this difference is considered to be significant for degree of freedom 98.

6. RESULT

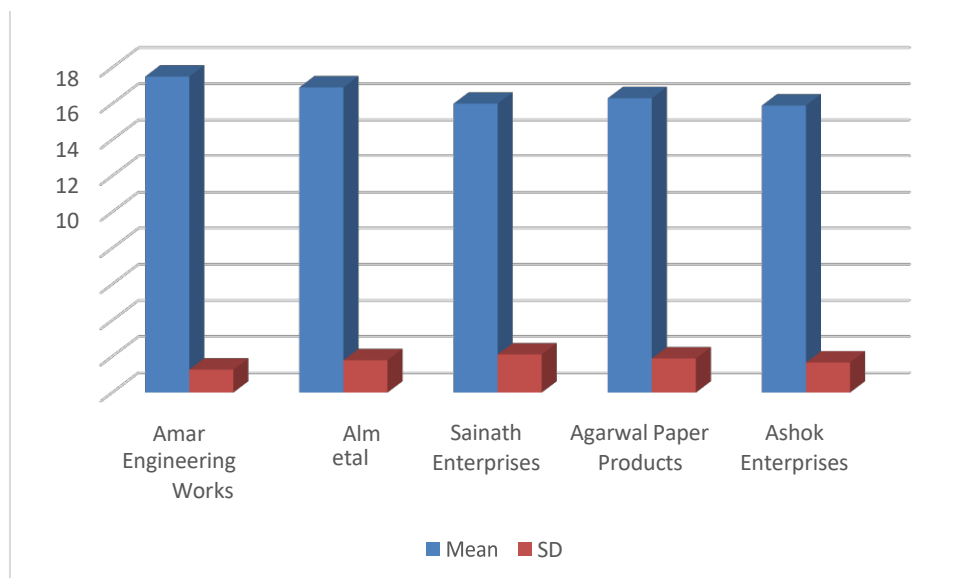
Table 4.1.0 clearly shows that there is similarity in skill efficiency of skilled workers at small scale enterprises in Bhopal district namely Amar Engineering Works, Almetal Industries, Sainath Enterprises, Agarwal Paper Products and Ashok Enterprises respectively. The skilled employees of each of the selected small enterprises have demonstrated their efficiency in the enterprises. As a result, it has helped in the progressive development of the enterprise. In terms of the impact of skill efficiency of skilled employees, among the selected small enterprises, the skilled employees of Amar Engineering Works have shown higher impact and the skilled employees of Ashok Enterprises have shown relatively lower impact. However, the impact of skill efficiency of skilled employees has been found to be clear on all the selected small enterprises.

Table 4.2.0 clearly shows that there is uniformity in the impact of skill inefficiency of unskilled workers on small scale enterprises in Bhopal district namely Amar Engineering Works, Almetal Industries, Sainath Enterprises, Agarwal Paper Products and Ashok Enterprises respectively. Unskilled employees of these enterprises have not been found performing the specific tasks of the enterprise. These employees have been found giving responsibility for labor work. Due to the work done by them, no one has been found to have received any special help in the subsequent development of the organization.

Table 4.3.0 clearly shows the impact on growth of small enterprises between skill efficiency of employees and skill inefficiencies of employees of selected small enterprises in Bhopal district namely Amar Engineering Works, Almetal Industries, Sainath Enterprises, Agarwal Paper Products and Ashok Enterprises respectively. In this context, due to the efficient work of the skilled employees of the enterprises, it helps in the progressive development of the enterprises, whereas, due to the ineffective work of the unskilled employees of the enterprises, no special help is received in the progressive development of the enterprises. Thus, it is concluded that there is a difference in the impact on the development of small enterprises between the skill efficiency of the employees and the skill inefficiency of the employees in the selected small enterprises in Bhopal district. Therefore, the previously formulated null hypothesis – "There will be no significant difference found on growth of small enterprises between skill efficiency for skilled and unskilled employees", is rejected.

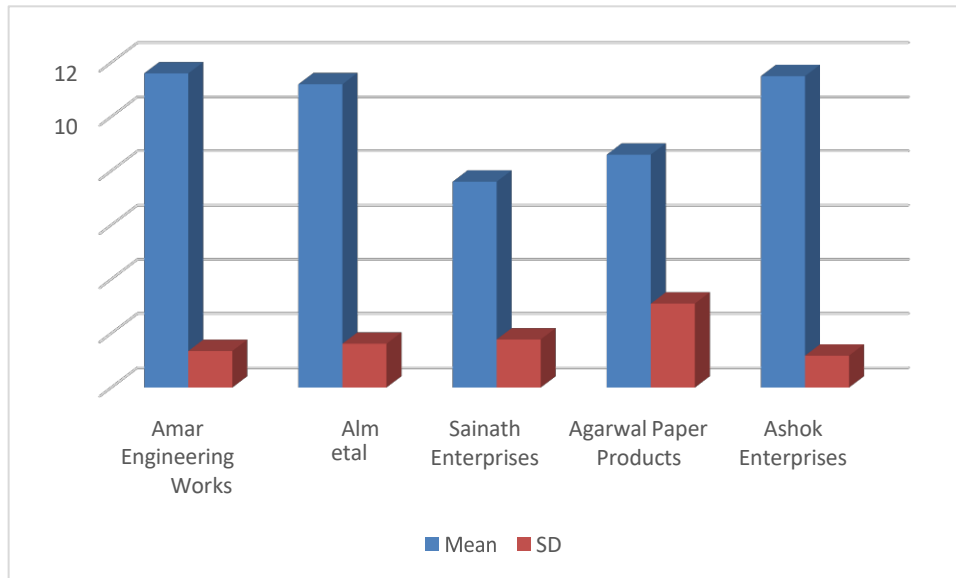
Graph 1

Bar-graph for impact of skill efficiency of skilled employees on small enterprises of Bhopal

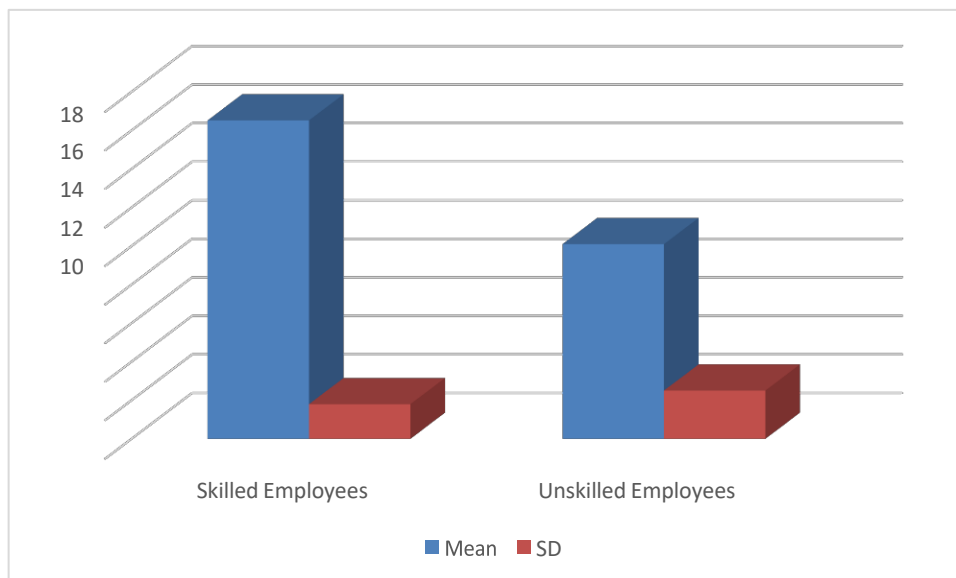


Graph 2

Bar-graph for impact of skill inefficiency of unskilled employees on small enterprises of Bhopal



Graph 3
 Bar-graph for the impact on growth of small enterprises between employee's skill efficiency and skill inefficiency in Bhopal



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