

# **A Study Modern Management in Small Scale Industries**

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**Abstract:** *Extent of utilization of modern management methods (systems) in companies is important indicator of advanced and mature management. There exist dozens of modern methods focused on different branches of management as strategy, production, quality and more. Department of management and entrepreneurship on Business Administration Faculty of Silesian University is conducted three : Rounds of questionnaire research, called "Adaptability of entrepreneurship", where besides others, utilization of management methods in companies, as activity preventing managerial misguiding, leading into entrepreneurship failures and bad economic results, were evaluated*

**Keywords:** modern management

## **I. INTRODUCTION**

Here exist many different management methods and even complex management systems that were developed during more than last century of capitalist establishments, particularly in Europe.

North America and Japan. This plenty of management methods can be categorized into management branches as Economy & Finance Management, Facility Management, Informatics & IT Management.

Human Resources Management, Logistics & Transportation, Organizational Management, Marketing

& Sales, Production Management, Quality Management, Crisis Management, Innovation

Management, Process Management, Service Management, Project Management, Risk Management,

Change Management, Knowledge Management, Strategic Management, Security Management,

Planning, Organizing, Leadership & Communication, Decision Making, Control Management But we need to understand Small scale industries is part contribution in Country National income.

So developing Small scale industries under in modern management can be great resource for future MSME, Small industry Business.

### **Importance of Modern management:**

Accomplishment of Organizational Goals :

Management achieves the organizational goals by properly planning, organizing, staffing, directing, controlling the activities and affairs of the organization. The success of any business organization depends on the extent of its effective and efficient attainment of the predetermined objectives for goals by properly utilizing its human and physical resources.

To Run Small Scale Industries Smoothly :

It is the time of large-scale production nowadays. Large-scale production enjoys some certain advantages over **small-scale production** but simultaneously faces some difficulties also.

Proper Running of Business Organization:

Management successfully leads and motivates the workers to put their maximum efforts, skills, ability, and experience in performing their duties and responsibilities.

Designing of Good Organizational Structure

People in an enterprise must be properly organized into well-constituted purposeful groups in order to create co-operation and co-ordination in their thinking and activities. establishing proper control positions and also the clear relationship between and among them, The management distance the required organization structure, and also fill the created positions with the right persons.

### **Creation of Proper Organization Climate**

The good working climate is a must for people to perform their tasks and responsibilities enthusiastically and economically.

#### **Creating and Maintaining Coordinating**

If people in the organization perform their individual activities without caring for and knowing about their linkage with other one another, such scattered activities and efforts shall result in all futile exercises, Productivity and will be hampered.

SSIs/MSMEs plays an important role in the economic development of India through employment generation, increasing self-employment opportunities and setting up of Research Article Volume 10 Issue No.3 IJESC, March 2020 24928 [http:// ijesc.org/](http://ijesc.org/) industries in both rural and urban areas leading to equitable development. Small and medium scale enterprises are also steering the government to increase infrastructures and manufacturing industries, reducing issues like pollution, slums, poverty and many development acts

### **Rational Study :**

#### **Reasons:**

Why small Scale industries important :

Small scale industries has important role in Indian economy it contribute good and great resources to Government  
Role in the Indian Economy

Employment :

SSI's are a major source of employment for developing countries like India. Because of the limited technology and resource availability, they tend to use labour and manpower for their production activities.

Total Production

These enterprises account for almost 40% of the total production of goods and services in India. They are one of the main reasons for the growth and strengthening of the economy.

Make in India

SSI's are the best examples for the Make in India initiative. They focus on the mission to manufacture in India and sell the products worldwide. This also helps create more demands from all over the world.

Export contribution

India's export industry majorly relies on these small industries for their growth and development. Nearly half of the goods that are exported from India are manufactured or produced by these industries.

Public Welfare

These industries have an opportunity to earn wealth and create employment. SSI's are also important for the social growth and development of our country.

### **Objectives of SSI**

The objectives of the small scale industries are:

To create more employment opportunities.

To help develop the rural and less developed regions of the economy.

To reduce regional imbalances.

To ensure optimum utilisation of unexploited resources of the country.

To improve the standard of living of people.

To solve the unemployment problem.

To explore the profile of Small Scale Industries in India.

To analyze the contribution of Small Scale Industries towards Indian Economy

### **Data analysis of small scale industry in india:**

The contribution of Small Scale Industries to total GDP has increased from Rs. 8736329 crores in 2011-12 to Rs. 15253714 crores in 2016-17. The share of SSIs in GDP has decreased from 30% in 2011-12 to 28.90% in 2016-17 as the contribution from other sectors of the economy have increased.

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Small Scale Industries in India and their growth is one of the most significant features of the planned economic development of the country. These SSIs have provided opportunities for self-employment for educated young people and created employment opportunities for millions of Indians. Presently, SSIs are regarded as an inevitable instrument for balanced regional economic development due to their dynamic enterprising spirit.

One of the major milestone of the Indian Economy was merging the Ministry of Small Scale Industries and the Ministry of Agro and Rural Industries and framing of Ministry of Micro, Small and Medium Enterprises (MSME) on 9 May 2007.

The main duty of the ministry is to design policies, facilitate programmes, promote projects/schemes and monitor their implementation, with a view to assisting MSMEs and helping them to scale up. The Micro, Small & Medium Enterprises Development (MSMED) Act, 2006 has defined MSME with the following classification.

**Manufacturing Sector Enterprise**

Category Investment in plant & machinery

Micro Enterprises Does not exceed 25 lakh rupees

Small Enterprises More than 25 lakh rupees but does not exceed 5 crore Rupees

Medium Enterprises More than 5 crore rupees but does not exceed 10 crore rupees

**Service Sector Enterprise Category**

Investment in equipment Micro Enterprises Does not exceed 10 lakh rupees

Small Enterprises More than 10 lakh rupees but does not exceed 2 crore rupees

Medium Enterprises More than 2 crore rupees but does not exceed 5 crore rupees.

At present the Micro, Small and Medium Enterprises (MSME) sector has emerged as an extremely vibrant and dynamic sector of the Indian economy over the last five decades contributing significantly in the economic and social development of the country by fostering entrepreneurship and generating largest employment opportunities at comparatively lower capital cost, next to agriculture. MSMEs are complementary to large industries as ancillary units which significantly contribute in the inclusive industrial development of the country. The MSMEs are spreading their domain across sectors of the economy, producing diverse range of products and services to meet demands of domestic as well as global markets

**Data Analysis and Discussion**

Contribution of Small Scale Industries to Indian Economy

Year	GVA	Growth (%)	Total GVA	Share of SSI in GVA (%)	Total GDP	Share of SSI in GDP (in %)
2011-12	2622574	-	8106946	32.35	8736329	30.00
2012-13	3020528	15.17	9202692	32.82	9944013	30.40
2013-14	3389922	12.23	10363153	32.71	11233522	30.20
2014-15	3704956	9.29	11504279	32.21	12467959	29.70
2015-16	4025595	8.65	12566646	32.03	13764037	29.20
2016-17	4405753	9.44	13841591	31.83	15253714	28.90

Table shows the contribution of Small Scale Industries to Indian Economy. The contribution of Small Scale Industries to total GDP has increased from Rs. 8736329 crores in 2011-12 to Rs. 15253714 crores in 2016-17. The share of SSIs in GDP has decreased from 30% in 2011-12 to 28.90% in 2016-17 as the contribution from other sectors of the economy have increased. This shows that even though there is decrease in the percentage share there is an increase in the total amount of contribution from SSIs to Indian GDP which is a very remarkable achievement of the SSIs that is aiding the development of our country.

**Methodology:**

The present study is a descriptive study which is verified through published data. The study is confined to understanding the profile and contribution of Small Scale Industries to Indian economy. Data required for the study were collected through secondary sources like annual reports of Ministry of MSMEs, RBI bulletin and other published information. The collected data were analysed using the appropriate statistical tools.