

A Study on Role of Small Scale Business Enterprises in Economic Development of Tirunelveli City

S. Kailasam¹ and Dr. A. Aruna Devi²

II M.Com, PG & Research Department of Commerce¹

Associate Professor & Head, PG & Research Department of Commerce²

Sri Sarada College For Women (Autonomous), Tirunelveli, India

Affiliated to Manonmaniam Sundaranar University, Tirunelveli

Abstract: *This piece looked at the contribution that small businesses make to national economic development. The issues that prevent small businesses from realising their maximum potential as engines of expansion and development were emphasised. Considerations and in order to address the issues found, suggestions were made. One crucial role played by small businesses is the fact that they give jobs to numerous people living in both rural and urban regions, thereby contributing to the nation's persistent unemployment issue. I used 45 respondents for my research. In this research I used percentage analysis and chi-square test for my analysis part.*

Keywords: Role Of Small Scale Business, Enterprises, Contribution, Economic Growth And Development..

I. INTRODUCTION

Small-scale business plays a crucial role in India's economic development and increase employment. It improves the growth of the country by increasing urban and rural growth. The government needs the assistance of small businesses to expand its manufacturing and infrastructure sectors, as well as to tackle problems like poverty, slums, and pollution.

Small businesses or sectors generate a big number of job possibilities, much like many other Fortune 500 organisations or larger corporations. As a result, it is essential to the country's economy. Government tax laws and other commercial functions provide support for these microbusinesses.

Paper, toothpicks, pencils, bakeries, candles, native or local chocolates, water bottles, toys, beauty salons, photography, leather belts, bags, and many other items are examples of small-scale industries.

II. REVIEW OF LITERATURE:

- **Rauch & Rijskik, 2013** Growth is a crucial phenomenon for small businesses. Their ability to compete in the market with other large corporations is actually what keeps them alive. Growth reduces the likelihood of small firms closing down. Strengthening is crucial for all stakeholders, not just businesses and their owners, as these organisations drive the economy forward by highlighting a variety of goods and services.
- **Doern 2009** Small business growth has been extensively studied in the entrepreneurship field. One reason is that many small enterprises do not grow throughout their existence.
- **Brush, Ceru & Blackburn (2009)**, some enterprises do not desire growth and others desire slow growth even though they are successful as much as those that grow fast. In fact, most new enterprises do not go beyond the stage when they initiated their activities with the exception of the so-called "gazelles" or young enterprises with very fast growth.
- **Penrose (2006)**, growth is the product of an internal process in the development of an enterprise and an increase in quality and/or expansion. "Growth is defined as a change in size during a determined time span"

- According to Janssen (2009), a company’s growth is essentially the result of expansion of demands for products or services. “It first results in a growth in sales and consequently in investments in additional production factors to adapt itself to new demands”

2.1 Objectives

- To analyse the demographic profile of the respondents
- To investigate the degree of economic growth of small scale business enterprises
- To study about the important role of small scale business enterprises
- To analyse about the government schemes regarding to small scale enterprises
- To determine the work life balance of small scale enterprises workers

III. DATA COLLECTION:

I combined primary and secondary data for my study.

The main information will be gathered directly from the general population utilising a questionnaire.

Journals and websites will be used to get the secondary data.

Sample size:45

IV. ANALYSIS AND INTERPRETATION:

Table 1: Demographic profile of the respondents

S. No	Particulars	No .of .respondents	Percentage
1.	Gender		
	Male	26	58
	Female	19	42
	Total	45	100
2.	Age group		
	Below 25	9	20
	25-30	13	29
	30-35	15	33
	Above 35	8	18
	Total	45	100
3.	Education qualification		
	HSC	16	36
	UG	15	33
	PG	14	18
	Total	45	100
4.	Income level		
	Below 20,000	7	16
	20,001-30,000	11	24
	30,001-40,000	17	38
	Above 40,000	10	22
	Total	45	100
5.	Marital status		
	Married	24	53
	Un married	21	47
	Total	45	100
6.	Source for getting capital		
	Friends& family	9	20

	Money lenders	12	27
	Bank	11	24
	Financial institution	13	29
	Total	45	100
7.	Mode of business sales		
	Online	11	24
	By shop	19	42
	By third party	15	33
	Total	45	100
8.	How many years running your business		
	Below 2 years	14	31
	2-3 years	18	40
	Above 3 years	13	29
	Total	45	100

Source of data: Primary data

Interpretation:

The above table 1 shows that demographic profile of the respondents according to the gender wise classification 58 percentage of the respondents are male and 42 percentage of the respondents are female.

According to the age wise classification 33 percentage of the respondents are come under the age group of 30-35 and 29 percentage of the respondents are come under the age group of 25-30 and 20 percentage of the respondents are come under the age group of above 25 and 18 percentage of the respondents are come under the age group of above 35.

According to education wise qualification 36 percentage of the respondents are completed their HSC qualification and 33 percentage of the respondents are completed their UG degree qualification and 31 percentage of the respondents are completed their PG degree qualification.

According to income level wise classification 38 percentage of respondents income level is 30,000-40,000 and 24 percentage of the respondents income level is 20,000-30,000 and 22 percentage of the respondents income level is above 40,000 and 16 percentage of the respondents income level is below 25,000.

According to marital status wise classification 53 percentage of the respondents are married and 47 percentage of the respondents are unmarried.

According to source for getting capital 29 percentage of the respondents are get capital from financial institution and 27 percentage of the respondents are get capital from money lenders and 24 percentage of the respondents are get capital from bank and 20 percentage of the respondents are get from friends and family.

According to mode of business wise classification 42 percentage of respondents are have their own shop as mode of business and 33 percentage of the respondents are have their online mode of business and 24 percentage of the respondents are have their third party for sales of their products.

According to years of running their business wise classification 40 percentage of the respondents are run their business 2-3 years and 31 percentage of the respondents are run their business below 2 years and 29 percentage of the respondents are run their business above 3 years.

CHI-SQUARE TEST:

Null hypothesis: There is no significant relationship between the mode of business and source for getting capital for small scale business.

Table 2: chi-square table

Source for getting capital \ mode of business	Friends & family	Money lenders	Bank	Financial institution	Total
Online	3	2	3	3	11
By own shop	5	7	4	3	19

By third party	4	5	3	3	15
Total	12	14	10	9	45

Chi – square table

O	O-E	(O-E) ²	(O-E) ²	(O-E) ² /E
3	2.9	0.1	0.01	0.0035
2	3.4	1.4	1.96	0.577
3	2.4	0.6	0.36	0.15
3	2.2	0.8	0.64	0.291
5	5.1	0.1	0.01	0.00196
7	5.9	1.1	1.21	0.205
4	4.2	0.2	0.04	0.0095
3	3.8	0.8	0.64	0.168
4	4	0	0	0
5	4.7	0.3	0.09	0.0192
3	3.3	0.3	0.09	0.027
3	3	0	0	0
Total				1.625

Source of data: Computed data

Calculation of table value:

Calculated value of chi-square vale = 1.625

Degrees of freedom = (R-1) x (C-1)

= (4-1) x (3-1)

= 3 x 2

V = 6

Table value = 7.81

Interpretation:

Since the calculate value (1.625) is less than the table value (7.81) the null hypothesis is accepted. Hence there is no significant relationship between mode of business and various way getting capital for their own business.

V. FINDINGS

- Majority of the respondents are male (58%).
- Majority of the respondents are come the age group of 30-35 (33%).
- Majority of the respondents are completed their HSC qualification (36%).
- Majority of the respondents income level is 30,000-40,000 (38%).
- Majority of the respondents are married (53%).
- Majority of the respondents are get capital from financial institution (29%).
- Majority of the respondents mode of the business is by third party (33%).
- Majority of the respondents are run their business 2-3 years (40%).

VI. SUGGESTIONS

- The government must establish new regulations to make it simpler for small scale businesses to access funding.
- Enterprises should strive to provide basic skills training to those who participate in small-scale business and are unskilled or semi-skilled.

VII. CONCLUSION

Small businesses play a crucial role in the progress of the economy and the country. Through the job opportunities they offer to the majority of the respondents, their activities have an impact on the lives of people who live in both the rural and urban areas. More significantly, they employ both unskilled and semi-skilled workers, which allows them to engage a large number of applicants.

REFERENCES

- [1]. Rauch and S.A. Rijkskik (2013). influence of general and specific human capital on the success or failure of newly founded firms over the long term. 923–941 in Entrepreneurship Theory and Practice (3).
- [2]. R. Doern (2009). Developing the technique for "Investigating Barriers to SME Growth and Development in Transition Environment": a critique. *Journal of International Small Business*, 27(3), 275–305. <http://dx.doi.org/10.1177/0266242609102275>.
- [3]. Brush, C. G., Ceru, D. J., & Blackburn, R. (2009). Pathways to entrepreneurial growth: the influence of management, marketing, and money. *Business Horizons*, 52(5), 481–491. <http://dx.doi.org/10.1016/j.bushor.2009.05.003>.
- [4]. Penrose, E. (2006). *A teoria do crescimento da firma*. Campinas: Editora da Unicamp.
- [5]. Janssen, F. (2009). Do manager's characteristics influence the employment growth of SMEs? *Journal of Small Business and Entrepreneurship*, 19(3), 293–315. <http://dx.doi.org/10.1080/08276331.2006.10593372>.
- [6]. [WWW.gogle.com](http://www.google.com)
- [7]. <https://researchgate.net/publication>
- [8]. https://en.wikipedia.org/wiki/Digital_library
- [9]. sgsubjects.inflibnet.ac.in