Int. Journal of Management and Development Studies 5(3): 33-39 (2016)
ISSN (Online): 2320-0685. ISSN (Print): 2321-1423
Impact Factor: 0.715

Impact of Cluster Networking on MSME Women Entrepreneurs Performance in Tamilnadu

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Abstract: *This means that subjects are chosen in a nonrandom manner, and some members of the population have no chance of being included. With non-probability sampling, researchers have no way of calculating how well their sample represents the population as a whole. In general, probability sampling is considered to be more stringent and accurate than non-probability sampling, but it is not always feasible. The method of data collection adopted for the study is Primary data. The Primary data collected, is though questionnaire, which was collected from individuals from the study area. The Primary data was collected for the present study by issuing questionnaire to the traders; this was Pre – tested by conducting a pilot study through which primary data was collected from different traders in Madurai. The Statistical Package used for this study is SPSS17 and MS Excel 2007. The data collected are classified, analysis and tabulated. The Statistical tools are applied for the analysis of the data. The tools used are: percentage analysis, t-test, one way Anova and chi-square. The findings are the t-test shows that there is a relationship between marketing-cum-finished goods storage depots and overall satisfaction of grains cluster, Chi-square test result shows that there is a relationship between warehouse and overall satisfaction of grains cluster, Chi-square test result shows that there is a relationship between drying yard with dryers and overall satisfaction of grains cluster.*

Keywords: Drying Yard, Grains Cluster, Primary Data, Non-Probability Sampling and Storage Depots

Introduction

Once considered to be vestiges of the traditional sector, to be swept away by the process of modernization, small- and medium-sized enterprises (SMEs) have, in the past two decades, become one of the main targets of policies aimed at creating growth and employment in developing countries. Support for SMEs is generally based on three assumptions. The first is that there are benefits for the country as a whole from having a strong SME sector. It sustains a broad and diversified private sector and creates employment. The second is that a strong SME sector will not emerge without support from the State. It is argued that informational and other market failures associated with the provision of financial, technical and market support to SMEs' (Levy 1994:2) need to be redressed. Small enterprises suffer disadvantages in markets because of their size. Third programme aimed at the smallest enterprises have been justified more in terms of their welfare impact than their economic efficiency, support for microenterprises is seen as a way of targeting aid at the

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poor and creating job opportunities for the disadvantaged. In recent years, however, the competitive potential of SMEs has been highlighted .

The apparent success of SMEs in North-eastern and central Italy and in other regions of Europe, point to the possibility that small can indeed be beautiful. The work of Piore and Sabel (1984) and of the International Institute of Labour Studies (Pyke, Becattini and Sengenberger 1990; Pyke and Sengenberger 1992) have presented the Italian experience to a wider, English-speaking audience as a particular model of industrial development in which the emergence of linkages and cooperation between SMEs provides economies of scale and scope. Far from being handicapped by size, clusters of SMEs (it is argued) have the advantages of flexibility and responsiveness. They can be more competitive than large firms.

This model has aroused world-wide attention. It seems to offer the chance to make SMEs more competitive. In developing countries this need is particularly pressing as trade liberalization and deregulation increase competitive pressures and reduce the direct subsidies and protection which States can offer to SMEs. However, drawing policy lessons for developing countries is fraught with difficulties. The first purpose of this paper is to tease out what they are. The second purpose is to bring together experiences from developing countries aimed at promoting clustering and networking of SMEs. It is driven by the need to meet the demands of the customer.

A customer-orientation forces firms to tackle their key problems of competitiveness, and successful interventions are those which establish the means by which SMEs can learn about and from the needs of their customers and obtain the technical assistance which enables them to meet these needs.it is directed at groups of enterprises. This has two advantages: (i) the collective approach has lower transaction costs than assistance to individual enterprises; (ii) it helps generate relationships between enterprises which improve their efficiency through the development of cooperation and maximize the potential of the group through the development of mutual learning.

It will be argued that these two features establish the condition for the third ‘C’, the cumulative capacity to upgrade and become less dependent on support from outside. Being competitive is not a state; it is a process of remaining competitive through improvement. The objective of policy intervention at the micro level should be to develop the capability of groups of firms to generate processes of improvement deriving from inter-firm linkages and contact with the market. Thus, public support for a given purpose gradually becomes unnecessary and can shift to new challenges.

Review of Literature

Bek et al (2013) focused to develop and test models explaining the unsatisfactory innovation activity of Russian firms and the main obstacles to innovation cluster development. Based on statistical analysis and the results of a pilot survey of 192 local businessmen, followed by imitation modeling analysis, the authors tested hypotheses regarding the impact of unsatisfactory institutional environments, including weak property rights protection, on innovation cluster development in Russia .The analysis showed that the impact of adverse factors on innovation activities of cluster members is crucial, and estimates to what extent the negative factors' influence should be reduced to prevent cluster degradation processes. The models provide a number of sensitivity tests of the parameters; however, data from clusters with different levels of support and protection need to be obtained. Government experimented could be conducted to test

the models and found ranges of optimal parameters for cluster development. Short of that, examination of actual data from different cluster in similar environments would allow estimated of optimal strategies for support. Longitudinal data can also help to determine the actual cause and effect of successful innovation cluster development. The authors provided managerial implications for organizations involved in innovation clusters, which could be used to improve cluster members' performance and collaborative innovation activities by means of creating acceptable institutional environments. The authors provided evidence of the connection between collaborative activities of clustering organizations in Russia and their performance caused by expectations concerning institutional conditions on the macro level in Russia.

Brunetto and Farr-Wharton (2007) analyzed the impact of trust and trust agents on small to medium-sized enterprises' (SMEs) ability to derive benefits from it. The findings suggest that trust was a significant factor moderating the way SME owners/managers perceive the potential benefits of networks. Those findings support earlier research that posited that networking provides an avenue for SME owners/managers to learn about potential business opportunities. However, Australian owner/managers that belong to networks do not demonstrate behavior and practices typical of either explorative or exploitative networks. Instead, the findings suggest that in addition to the typical networks, a third type of network should be added to the literature—embryo-explorative networks. Such networks describe SMEs owners/managers who attended network meetings and report on what they learn about new opportunities from the networks; however, they do not tend to engaged in typical collaborative activities (such as joint marketing venture) as described in the networking literature. Embryo-explorative networks were defined as those that have yet to develop into the explorative networks—probably because there had been insufficient time to build trusting relationships required to foster collaborative ventures that involve some risks.

Dasanayaka (2012) identified critical success factors affecting the development of clusters for small and medium scale (SME) information technology (ICT) firms in Sri Lanka and recommend appropriate policies to their sustainable development and growth. The Author was carried out through a situational analysis and an in–depth questionnaire survey. The survey was carried–out to identify critical factors with high ranked officers in ICT and SME cluster apex bodies, managers and owners in SMEs in ICT cluster. The situational analysis showed that SMEs in ICT cluster are currently facing a high cost of production mainly due to the cost of labour and energy and furthermore, the productivity and value addition are at very low level. In overall this study identified thirty seven factors critical for the development of SME ICT cluster. The policies recommended and the methodology used may be useful to similar cases in other developing countries.

Research Methodology

Around 1157 SME (women entrepreneurs) and approx. 6000 artisan/micro enterprises clusters are estimated to exist in India. The micro and SME clusters in India are estimated to have a significantly high share in employment generation. TN Food grains Marketing Yard, Madurai, this unique project which aims in providing necessary infrastructures for Cereals, Pulses & Staples (CPS) Milling Cluster in and around our area is being implemented at a cost of Rs.40 crores in 30 acres site at Madurai under the Chairmanship of Shri.S. Rethinavelu, Chairman & Managing Director who is also the Sr. President of Tamilnadu Chamber of Commerce & Industry, Madurai. Some of the infrastructural facilities are provided. Tamilnadu food grains marketing yard encourage and participate in cultivating processor – and consumer - oriented

varieties of rice, black gram, red gram and gingelly in collaboration with Research Institutes and Banks / Financial Institutions. They guarantee the purchase of these commodities at remunerative market price. Tamilnadu Food grains Merchants Association started its functioning in 1945 and completed 60 years of glorious service catering to the needs of the Food grains Trade and Industry of the entire State of Tamilnadu.

Having completed its Diamond Jubilee Year (2004-2005), The Tamilnadu Food grains Merchants Association is a trail blazer promoting the growth and development of Food grains based Trade and Industries in Tamilnadu. Within the SSI sector, an important role is played by the numerous clusters that have been in existence for decades. The SSE clusters in India are estimated to have a significantly high share in employment generation. It is estimated that 400 modern SSE and 2000 rural and artisan based clusters exist in India. These contribute up to 60 percent of India's manufactured exports. A Cluster is generally identified by the product (or product range) and the place where it is located. A complete industry or a sector (like the leather sector) cannot be referred to as a Cluster. The aim main of this study is identifying the effectiveness of the clusters, creating awareness about the clusters among the traders. The sample size was 188. Convenience sampling is a non-probability method.

Research Objectives

1. To examine the impact of cluster networking on their small and medium enterprises efficiently and profitably in Tamilnadu.
2. To design the model networking with special reference to some selected small scale units in Tamilnadu.
3. To provide suggestion to the small and medium enterprises in Tamilnadu to develop their social networking

Analysis and Interpretations

Table 1: The Impacts of business consulting services on the performance of SME

Factor	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	16.362	6	.012

Source: Primary Data

The test shows that there is a relationship between business consulting services on the performance of SME.

Table 2 - The Impacts of marketing services on the performance of SME

Factor	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	67.325	9	.000

Source: Primary Data

The test shows that there is a relationship between marketing services on the performance of SME.

Table 3 - The Impacts of foreign competition on the performance of SME

Factors	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	28.812	9	.001

Source: Primary Data

The test shows that there is a relationship between foreign competitions on the performance of SME.

Table 4 - The Impact of no .of employees on overall satisfaction of grains cluster

Factors	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	29.877	12	.003

Source: Primary Data

Chi-square shows that there is a relationship between no. of employees and overall satisfaction of grains cluster.

Figure 1: The Impact of No .Of Employees on Overall Satisfaction of Grains Cluster

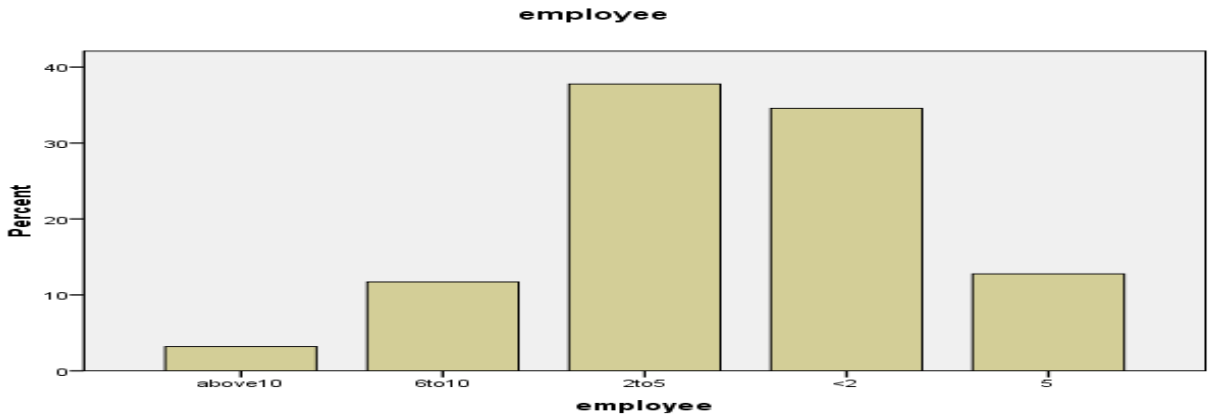

Table 5: The Impact of Number of Year in Business on Overall Satisfaction of Grains Cluster

Factors	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	34.088[a]	12	.001

Source: Primary Data

Chi-square shows that there is a relationship between no. of years in business and overall satisfaction of grains cluster.

Results

1. The t-test shows that there is a relationship between marketing-cum-finished goods storage depots and overall satisfaction of grains cluster. Chi-square test result shows that there is a relationship between warehouse and overall satisfaction of grains cluster. Chi-square test result shows that there is a relationship between drying yard with dryers and overall satisfaction of grains cluster.
2. Chi-square test result shows that there is a relationship between Pre-processing Centre and overall satisfaction of grains cluster. Chi-square test result shows that there is a relationship between Sortexing Centre and overall satisfaction of grains cluster. Chi-square test result shows that there is a relationship between Packaging Centre and overall satisfaction of grains cluster.

3. Chi-square test result shows that there is a relationship between Research & Development Laboratory and overall satisfaction of grains cluster. Chi-square shows that there is a relationship between Cold Storage Unit and overall satisfaction of grains cluster. Chi-square shows that there is a relationship between Training Centre/ Seminar Hall and overall satisfaction of grains cluster. The t- test shows that there is a relationship between qualities of the product on the performance of SME.
4. Chi-square test result shows that there is a relationship between number of employees and overall satisfaction of grains cluster. Chi-square test result shows that there is a relationship between number of years in business and overall satisfaction of grains cluster.

Implications

- Traders should give importance for attending seminars.
- More focus on export facilities should be given by the Tamilnadu Food grains Marketing Yard.
- Some facilities like Auction centre and Agro centre and product display centre are in the process of construction, government should take necessary steps to provide these facilities by which cluster network can be made more effective.
- They should improve business consulting services to the members of the Tamilnadu Food grains Marketing Yard.
- They should increase number of skilled labours.
- Mutual & collective learning process can be improved.
- They can expand their membership in Tamilnadu Food grains Marketing Yard.

Conclusion

TN Food grains Marketing Yard, Madurai, this unique project which aims in providing necessary infrastructures for Cereals, Pulses & Staples (CPS) Milling Cluster in and around our area is being implemented at a cost of Rs.40 crore in 30 acres site at Madurai .Tamilnadu foodgrains marketing yard encourage and participate in cultivating processor – and consumer - oriented varieties of rice, black gram, red gram and gingelly in collaboration with Research Institutes and Banks / Financial Institutions. They guarantee the purchase of these commodities at remunerative market price.. The sample size taken was 188. The Statistical Package used for this study is SPSS17 and MS Excel 2007. The data collected are classified, analysis and tabulated. The Statistical tools are applied for the analysis of the data. The tools used are: percentage analysis, t-test, one way Anova and chi-square. Some suggestions given to tamilnadu food grains marketing yard, Madurai. It helps to develop and increase their yard. It is really helpful for the traders to improve their business. By utilizing the up-to-date infrastructural facilities of this organization, the stakeholders can supply certified quality materials to the Govt. stores and to organized chain stores within and outside the country.

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