

Decision Making Process in Micro, Small & Medium Enterprises; A Study on Dharwad District

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Abstract:-Easy access to micro credit is significantly associated with small business survival. Easy access to microfinance is closely associated with cordial relationship and regular contact with loan field officer as well as regular participation in microfinance. The appropriateness of loan size, proper utilization of loan given and a good repayment plan schedule are the factors that make micro credit worthwhile for small business operators. This Research Paper focuses its attention on investigating the effects of micro financing on small business survival, growth and expansion in Dharwad District. It intends to contribute to the array of literature written by different scholars on decision making in Mses Development. Despite its increasing roles, access to credit by Mses Remains one major constraint. This shows that micro finance activities are relevant for the growth and development of Micro and Small-scale enterprises.

I. INTRODUCTION

Decision-making is a fundamental activity for everyone. It is a cognitive function concerned with the process of reflecting on the consequences of a certain choice. Employees are viewed as managers in an organisation because they are increasingly being asked to manage their work effectively.

As innovation and creativity have been the talk of the world today, more autonomy is being given to employees in making decisions. Traditionally, according to Mintzberg, making decisions was generally the manager's job, the decisions made would significantly affect the organisation. Therefore, it is important to identify the type of decision-making styles (DMS) a person is inclined to demonstrate. The existence of different DMS has been acknowledged for decades, and one prominent perspective is the four styles (i.e. directive, analytic, conceptual, and behavioural).

They state, 'Knowing an individual's decision style pattern, we can predict how he or she will react to various situations. The DMS can be observed from relationships with others through consultations, instructions, transferring responsibilities, or wanting to please certain people. Knowing how and why decisions are taken can make the difference to the types of DMS. Differences in demographics, qualifications, socialisation, work scope, and business environment can also affect a manager's decision-making process and style.

Decision making in small industries is the important step to be taken in small industries because the employees, clients and suppliers should know what decision will take about the raw material and about the product and about the machinery the small industries will take about the firm or their own life. About their experience in relevant business or any other type of business, and the reasons to start the business.

Availability of land and building ordinance or desire to own enterprise. And selection of the location based on availability of raw material or land and building or proximity to market or proximity to living place. And the marketing strategy they are using advertisement, free sampling, and offers.

In small industries they take a decision based on practical and direct, brief and systematic, flexible and bold and they always seeking for practical result, best solution, a new idea or a new method, and they give more attention to the current issue and problem, the future development and reaching the target.

In small industries when they do not know what actions should take they follow the heart, seek facts and the truth and wait for some time to make decision. When they are in pressure to make a decision they feel stress, or concentrate on solving the problem they use technology plan to their industries.

They use some technology application like internet, email, word processing and data base.

In small industries they have some particular decision .they have some rules and regulation what employees and others should follow.

II. LITERATURE REVIEW

The challenges faced by small and medium enterprises (SMEs) in India are majorly that of financing. The vast majority of micro and small enterprises (MSEs) in developing countries are located in industrial clusters, and the majority of such clusters have yet to see their growth take off.

MSME Development Organization (The Small Industries Development Organization (SIDO)), headed by the Additional Secretary & Development commissioner (Micro, Small and Medium Enterprises), is one of the apex bodies of the Government of India, Ministry of Micro, Small and Medium Enterprises, to assist the Government in formulation of policies and programmes, projects schemes, etc., for the promotion and development of Micro, Small and Medium Enterprises in the country and also coordinating and monitoring the implementation of these policies and programmes etc. Promotion and development of Micro, Small and Medium Enterprises is primarily the responsibility of the States and Union Territories (UTs) and the role of the Central Government (including the MSME Development Organization (formerly known as SIDO)) in this field is to aid and assist the States/UTs in this endeavor.

III. DECISION MAKING

The thought process of selecting a logical choice from the available options. When trying to make a good decision a person must weigh the positive and negative of each option, and consider all the alternatives.

Kurt J. Miesenbock is a lecturer at the University of Economics, Vienna, Austria. The present literature on international business falls into two main categories: the first covers multinational corporations, their development, organizational and marketing problems, and strategies;

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Woodrow D. Richardson is an assistant professor at the University of Alabama at Birmingham. He has published in Health Care Management Review, Simulation & Gaming, and Small Business Controlling. He teaches courses in Business &

Society and Business Policy, and he was the recipient of the University Excellence in Teaching Award in 1989

Marian R. Chertow Industrial symbiosis, as part of the emerging field of industrial ecology, demands resolute attention to the flow of materials and energy through local and regional economies. Industrial symbiosis engages traditionally separate industries in a collective approach to competitive advantage involving physical exchange of materials, energy, water, and/or by-products.

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Craig, Mcintosh, and Bruce, Wydich (2004) “Competition and Microfinance” talks about competition between microfinance in developing countries have increasing drastically over last decade. This paper shows borrower began to obtain multiple loans, creating negative externality that leads to less favourable equilibrium loan contracts for all borrowers and also compared different countries competition and performance by using longitudinal research. This method has used nominal variables using lambda method.

Anthony, J., Ody and David, de., Ferranti. (2007) Beyond Microfinance: Getting Capital to Small and Medium Enterprises to Fuel Faster Development. It differentiated Small and medium-sized enterprises (SMEs) to fuel faster development and has given various suggestions on new options that will emerge for meeting SMEs' financial needs, including commercial banks moving "down-market," micro-credit institutions moving "up-market," and creative application of venture capital investing ideas has been stated in this article.

Abiola, Babajide (2012), this paper investigates the “effects of microfinance on micro and small business growth in Nigeria”. The objectives are to examine the effects of different loan administration practices on small business growth criteria and, to examine the ability of Microfinance-Banks (MFBs) towards transforming micro-businesses to formal small-scale enterprises. The paper employed panel data and multiple regression analysis to analyze randomly selected enterprises by microfinance banks in Nigeria. The paper recommends a recapitalization of the Microfinance banks to enhance their capacity to support small business growth and expansion.

Prof. Vinayak, Gopal, Patil (2011), this paper discusses regarding microfinance - its nature, objectives, framework, principles, challenges and opportunities with the reference to Indian context. The microfinance – which is becoming more important financial

IV. OBJECTIVE

- To Examine the Risk taking ability by employees
- To analyze the emotional and attitudes levels of employees.
- To evaluate the characteristic of employees and Rating the characteristic
- To study the individual job fit.

V. DATA COLLECTION & ANALYSIS

- Selection of Organization: 25 MSE’s are selected in Dharwad District for the study based on Convenient sampling .
- Sampling Population: As many as 100 samples were included as part of data for the study. These samples were collected from top, middle management executives & at supervisory level from micro credit institutions and new business start-up in Dharwad.
- Data Collection: An exhaustive questionnaire was prepared and data was collected with regard to employee retention and loyalty.

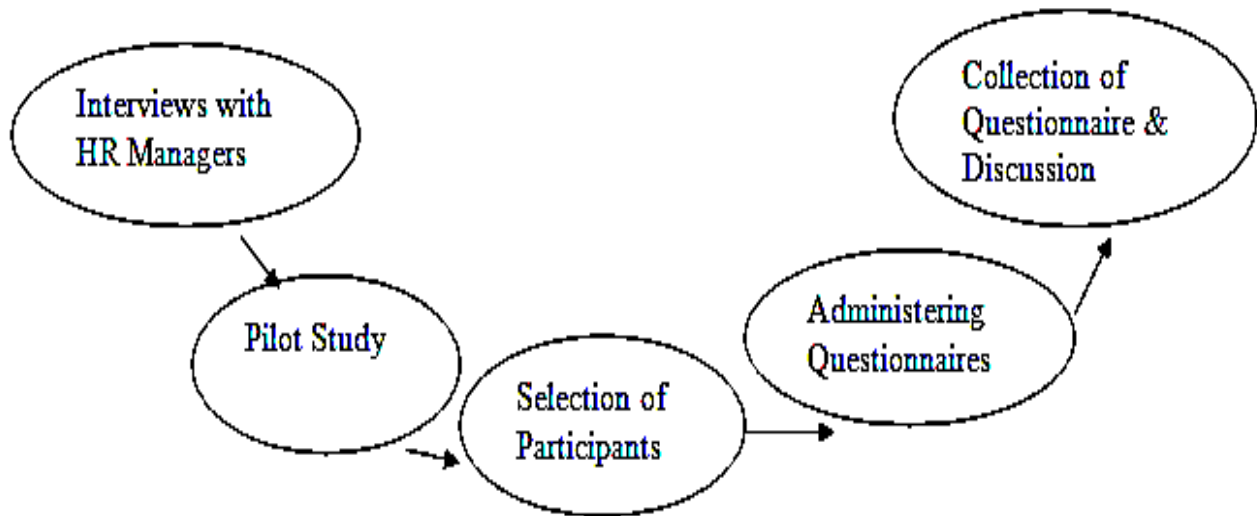


Figure-1: Stages of Data Collection

Sources: Authors Compilation

Stages of Data Collection

An exhaustive empowerment questionnaire was put to test. Several micro credit institutions and new business start-up , micro credit and business survival, micro credit institution and business growth, collateral and micro credit angles were probed and a total of nearly 15 odd areas were identified, which were apt, valid and relevant on five point scale, viz: Strongly agree; Agree; can’t say; Disagree; and strongly disagree. Such areas put to test includes understanding the system of analytics within the organizations, level of adoption , communication process adopted, decision making process, delegation and shared responsibility, power distribution, degree of trust & loyalty, employee participation and the like were put to test.

Hypothesis

- H0 – Decision Making is significant contribution to the survival of MSEs in Dharwad District.
- H1 – Decision Making makes significant contribution to the survival of MSEs in Dharwad District.
- H0 – Decision Making does not have the capability to influence the expansion capacity of MSEs in Dharwad District.
- H1 – Decision Making does have the capability to influence the expansion capacity of MSEs in Dharwad District.

VI. ANALYSIS & INTERPRETATION

- The Data collected has been primarily tabulated & Master table was prepared,
- Sample was tested for reliability using Cronbach's alpha,
- Percentage analysis is the basic tool for analysis,
- Regression analysis a statistical process for estimating the relationships among variables is used.

VII. SUGGESTIONS

- In Small industries should increase the marketing strategy and should give some offer, free sampling to the customers because the customer will get attract to the product
- In small industries they should use technology application like internet, email, word processing, database because the online work will be done easily.
- In Small industries the upper management will take the decision about the firms and about the employees, but they have to ask the opinion of employees.
- Small industries should participate actively for sponsorships, owning of events or sports like Formula Car Racing in India, Cricket test Series.
- Secondly, it make the customers make them feel that they are important for the company and lastly in assessment of the sales executives performance..
- Suggestion Box should be kept in the company so that innovative ideas from employees should be appreciated which help in getting cost measures and for smoothen the functioning of the company. Awards and recognition for valuable contributions to organization..
- Monthly conferences, seminars and workshops to help in expanding knowledge and stay on the cutting edge of the latest marketing trends.
- Conducting numerous social activities, including Holiday Party and happy Hours to let you get to know great people on a personal and professional level..

VIII. CONCLUSION

- In small scale industries the top stage and middle degree control simplest take the selection approximately over all decisions like uncooked material and employees.
- In small industries the selection will made with the aid of sole proprietor or the partners.
- In small industries they have much less quantity of employees but also they control the industries and that they deliver incentives for added paintings. the small industries help the lower humans to get the work , the

industries are in sure region that help the Human beings to paintings .

- As small scale industries constantly have most effective equipment gadget which might be decrease their movement is to studied and persuade to the alternative personnel for their betterment.
- They train the personnel consistent with their work how to paintings in an machinery, technical work and many others.
- In owner and hirer of earth equipments it was an excellent enjoy to me to realize about the small industries and how they will take the selections.

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