



# RUDSETI – A CATALYST TOWARDS GROWTH OF SMALL SCALE MANUFACTURING INDUSTRIES

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## **ABSTRACT:**

*Entrepreneurship plays an important role in the economic growth and development of nation. It is a purposeful activity which includes an initiation, promotion and distribution of wealth and service. An entrepreneur is a critical factor in economic development and an integral part of the socio-economic transformation. Only determined mind does not make a successful entrepreneur but supported by strong training and financing will make path to success easy. The present study tries to understand the contribution of RUDSETI to make a trainee a successful entrepreneur. Further, study took the stock of how RUDSETI through its training programme was able to motivate, inculcate technical knowhow, management skill and resource management and handhold trainees even after establishment of their manufacturing units. The result of study states that training programme was key factor to start and successful running of their business. The hypothesis testing also proved positive that RUDSETI is acting as catalyst towards growth and sustaining of small scale manufacturing industries.*

**Keywords:** small scale manufacturing industries, RUDSETI

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## **1. INTRODUCTION:**

India in the recent decades is witnessing a transformation, a transformation where in the youth are shifting them to manufacturing based and service based works and jobs i-e primary self-employed based from conventional agricultural employment. A stream of change where youth are turning to skill based employment from semi-skilled and unskilled employments. The change agent behind this is RUDSETI (Rural Development and Self-Employment Training Institutes). The institute which started in Dakshina Kannada district in collaboration with Canara Bank and Syndicate bank in 1982 is now spread across 28 branches in 17 states. The institution extends training in product based, service based, agriculture based and general

entrepreneurial development programmes. They extend a hand holding support from identifying the skills of trainee to bank finance support. The present research paper is trying to understand the process through which RUDSETI is supporting youth transform themselves as entrepreneur. Further, among four EDP's product development where manufacturing techniques are to be inculcated and other skills like marketing, communication and business management in general are to be imparted is taken as prime aspect of the study.

## 2. RUDSETI – TRAINING PROGRAMMES:

RUDSETI runs around 60 plus training programmes to promote entrepreneurship quality and skills among trainees in its wide spread 28 training institutes across 17 states of India and is the role model for establishment of RSETIs across India. The programmes run for duration of 1 day to six weeks. All of the training programmes are broadly classified into 4 broad stream namely,

- Product based Entrepreneurship Development Programmes
- Process based Entrepreneurship Development Programmes
- Agricultural based Entrepreneurship Development Programmes
- General based Entrepreneurship Development Programmes

**Table 1** Showing details of number of trainees took training in Product based EDPs

Sl. No	Description of Product based EDP	Male	Female	Total
1.	Gems and Artificial Jewels	8	12	20
2.	Hand craft Manufacturing	15	20	35
3.	Food Processing and Bakery Products	17	13	30
4.	Agarbathi Manufacturing	11	24	35
5.	Jute Products Manufacturing	16	9	25
6.	Manufacturing Utility items from waste	8	7	15
7.	Paper Cover, Bag, Envelop and File making	5	10	15

[Source: RUDSETI- Annual Report 2016-17]

## 3. REVIEW OF LITERATURE:

**K. Ramakrishna.at.el (2016)** The paper discusses what measures RSETIs (RUDSETIs are also treated as RSETIs function-wise), being the nurseries and springboards for the skilled-youth, can follow for attaining excellence in promoting large numbers of startups which will eventually lead to well-established companies.

**M.Manjunath Shettigar & Jayasheela (2012)** The research articles states overall success rate measured in terms of starting of enterprise is 73.75% and survival rate is 87.29%, growth rate in employment is 78.29% in males and 69.64% stating clearly that entrepreneurship development program of the kind conducted by RUDSETI are quite successful in promoting entrepreneurship development and in developing an entrepreneurship culture in the country.

**G.V.Jagapathi Rao(2010)** Age of the entrepreneurs has its influence on the entrepreneur's ability, involvement in the profession, dedication towards the profession, decision making capacity of the entrepreneur and thereby, on the overall performance of the enterprise. In this study, an attempt was made by the researcher to identify the age of the entrepreneur at the time of survey and it was found that 8.89% of entrepreneurs are between the age of 21-30 years and 25.93% between 31-40, 41-50 is 37.78%, between 51-60 is 22.96%.

**P.Laxmana(2007)** The study states that the percentage of respondents who started enterprises after participating in entrepreneurship development programme was 77.35. This start up rate was very high when compared to all India average of 25-35 percent. The start-up rate was still higher among female respondents at 80.85 percent.

**Friijs et al (2002)** Entrepreneurship often relates to the functional role of entrepreneur and includes coordination, innovation, uncertainty bearing, capital supply, decision marking, ownership and resource allocation

**Objective of the Study:**

To study the contribution of RUDSET institute towards growth of small scale manufacturing units through its training programmes.

**Hypothesis:**

**H0:** RUDSETI training has not led to positive growth of small scale manufacturing units.

**H1:** RUDSETI training has led to positive growth of small scale manufacturing units.

**4. METHODOLOGY:**

Descriptive method of research is adopted as it a fact-finding related to how RUDSETI through its training problem is able to motivate, make technically sound and coordinate to ward establishment of small scale industries. Purposing sampling method is adopted as here we have collected information by administering interview schedule from only those trainees who have completed training recently in Mysore training institute (2016-17) and have established their manufacturing units. Scope of the present study is restricted to only trainees getting training related to manufacturing and production of goods and services.

**Table 2** Distribution pattern of Respondent

Sl. No	Description of Product based EDP	Male	Female	Total
1.	Gems and Artificial Jewels	1	3	4
2.	Hand craft Manufacturing	4	3	7
3.	Food Processing and Bakery Products	5	1	6
4.	Agarbathi Manufacturing	1	6	7
5.	Jute Products Manufacturing	3	2	5
6.	Manufacturing Utility items from waste	1	2	3
7.	Paper Cover, Bag, Envelop and File making	0	3	3
	Total	15	20	35

[Source: Field Investigation]

**5. RESULTS AND ANALYSIS:**

Starting up of own manufacturing units does not only require mere financial support but also may other support and skills that one has to inculcate in himself to successfully run the units in the long run. RUDSETI through its training programmes infuses a series of skills in the trainees starting from motivation to set up their manufacturing unit to market the products efficiently. The following discussion through table will highlight how RUDSETI has successfully helped entrepreneurs to start up their ventures and in turn forming a catalyst towards growth of small scale industries, particularly in semi-urban and rural areas.

From the below table 3 it can be observed that 33 (94%) respondent state that it because the inspiration given through the training programme is the key factor for their establishment of their manufacturing unit. If the institute trainers have not motivated then they would end up with some employment and probably might be searching for employment.

**Table 3** Level of Improvement in Motivation Level after training

Sl. No	Description of Product based EDP	Motivated	Not Motivated	Total
1.	Gems and Artificial Jewels	4	0	4
2.	Hand craft Manufacturing	7	0	7
3.	Food Processing and Bakery Products	5	1	6
4.	Agarbathi Manufacturing	6	1	7
5.	Jute Products Manufacturing	5	0	5
6.	Manufacturing Utility items from waste	3	0	3
7.	Paper Cover, Bag, Envelop and File making	3	0	3
	Total	33 (94%)	02 (6%)	35 (100%)

**Table 4** Level of Improvement in Technical skills after training

Sl. No	Description of Product based EDP	Improved	Not Improved	Total
1.	Gems and Artificial Jewels	3	1	4
2.	Hand craft Manufacturing	6	1	7
3.	Food Processing and Bakery Products	5	0	6
4.	Agarbathi Manufacturing	6	1	7
5.	Jute Products Manufacturing	5	0	5
6.	Manufacturing Utility items from waste	3	0	3
7.	Paper Cover, Bag, Envelop and File making	3	0	3
	Total	32(92%)	3(8%)	35 (100%)

For manufacturing unit technical knowhow is the prime component of success. The responses of the trainees (92%) show that the training has benefits in gaining in depth knowledge and on hand experience during course of training to handle the machine and address the machine breakdowns if any. This is where the art of producing goods is learnt and will be basis to venture the production unit.

**Table 5** Level of Improvement towards Innovative thinking and Management Techniques after training

Sl. No	Description of Product based EDP	Improved	Not Improved	Total
1.	Gems and Artificial Jewels	4	0	4
2.	Hand craft Manufacturing	7	0	7
3.	Food Processing and Bakery Products	4	1	6
4.	Agarbathi Manufacturing	7	0	7
5.	Jute Products Manufacturing	5	0	5
6.	Manufacturing Utility items from waste	3	0	3
7.	Paper Cover, Bag, Envelop and File making	2	1	3
	Total	33(94%)	3(8%)	35 (100%)

Effective management and innovative thinking are two important aspects that are required for sustainable growth. Looking into the same perspective the institute is imparting training that making the trainees to think innovative through its exercises and games. The games and

structure of training makes us more responsible and management our resources better is the response to the respondent. Group activities make them think versatile and able share different approaches to the same problem. Important segment of training was decision making where complex situation and cases will be given and based on analytics they have to solve the problems and lead the team to solve these cases and developed co-ordination among group the win these competitions. So with these games it was able to develop leadership skill and effective decision making was the response of 89% of the respondents show in table 6.

**Table 6** Level of Improvement in Decision Making and Leadership Skills after training

Sl. No	Description of Product based EDP	Improved	Not Improved	Total
1.	Gems and Artificial Jewels	4	0	4
2.	Hand craft Manufacturing	7	0	7
3.	Food Processing and Bakery Products	5	0	6
4.	Agarbathi Manufacturing	5	2	7
5.	Jute Products Manufacturing	4	1	5
6.	Manufacturing Utility items from waste	3	0	3
7.	Paper Cover, Bag, Envelop and File making	2	1	3
	Total	31(89%)	4(11%)	35 (100%)

**Table 7** Level of Improvement in Soft skills and Marketing Skill after training

Sl. No	Description of Product based EDP	Improved	Not Improved	Total
1.	Gems and Artificial Jewels	4	0	4
2.	Hand craft Manufacturing	6	1	7
3.	Food Processing and Bakery Products	6	0	6
4.	Agarbathi Manufacturing	7	0	7
5.	Jute Products Manufacturing	5	0	5
6.	Manufacturing Utility items from waste	3	0	3
7.	Paper Cover, Bag, Envelop and File making	3	0	3
	Total	34 (97%)	1(3%)	35 (100%)

Table 7 discusses about the marketing skill development which is done through its marketing mela in which on hands training is given to trainees about how a prospective customer identification and sell their good effective to the requirement of the customers was the prime teaching (97%) respondent stated. Other had soft skills which are at most requirement of today business was also taught.

**Table 8** Level of Improvement in plan viable and credit aspects after training

Sl. No	Description of Product based EDP	Improved	Not Improved	Total
1.	Gems and Artificial Jewels	4	0	4
2.	Hand craft Manufacturing	7	0	7
3.	Food Processing and Bakery Products	6	0	6
4.	Agarbathi Manufacturing	7	0	7
5.	Jute Products Manufacturing	4	1	5
6.	Manufacturing Utility items from waste	3	0	3
7.	Paper Cover, Bag, Envelop and File making	2	1	3
	Total	33(94%)	2(6%)	35 (100%)

RUDSETI acted as trainees' agent to bridge the gap to get the finance assistance. After the training, the training completion certificate carried considerable weightage to get the financial assistance which helps them to open their manufacturing unit. Through process of training the officials identified trainees' ideas and potentials and helped to prepare the project plan that can be accepted by the banks for financial assistance was great support is the response of 94% respondents.

**Table 9** Level of Increase in awareness about various government departments supported schemes

Sl. No	Description of Product based EDP	Improved	Not Improved	Total
1.	Gems and Artificial Jewels	4	0	4
2.	Hand craft Manufacturing	7	0	7
3.	Food Processing and Bakery Products	5	1	6
4.	Agarbathi Manufacturing	6	1	7
5.	Jute Products Manufacturing	5	0	5
6.	Manufacturing Utility items from waste	2	1	3
7.	Paper Cover, Bag, Envelop and File making	3	0	3
	Total	32(92%)	3(8%)	35 (100%)

For getting bank finance assistance, at least some amount of initial investment has to be done which in itself was a great difficult was the response of respondent. To address the problem RUDESTI has introduced to trainees available central and state government entrepreneur development programmes through MSME, DIC Departments that gave a chance to build rapport with banks and assisted them for initial investment. 92% respondent stated that the present status is that they are enjoying with their enterprise is result of awareness programme that was part of their training.

**Table 10** Level of Improvement towards Time Management and Communication skills after training

Sl. No	Description of Product based EDP	Improved	Not Improved	Total
1.	Gems and Artificial Jewels	4	0	4
2.	Hand craft Manufacturing	7	0	7
3.	Food Processing and Bakery Products	6	0	6
4.	Agarbathi Manufacturing	7	0	7
5.	Jute Products Manufacturing	4	1	5
6.	Manufacturing Utility items from waste	3	0	3
7.	Paper Cover, Bag, Envelop and File making	3	0	3
	Total	34(97%)	1(4%)	35 (100%)

Effective communication is key to the success of their business is the response of (96%) trainees which was taught in the course of their training. Time management in terms of purchase of raw material through Economic Order Quantity techniques, production schedules through CPM and PERT techniques and effective finance management for the receipts and payments were some of the important techniques taught.

### **Hypothesis:**

**H0:** RUDSETI training has not led to positive growth of small scale manufacturing units.

**H1:** RUDSETI training has led to positive growth of small scale manufacturing units.

### **Test of Hypothesis:**

Chi-Square test value is 12.23 & 3.84 is tabulated value for 5% level of significance.

### **6. RESULTS:**

Since the calculated value of 12.23 is greater than the critical value of 3.84 @ 5% level of significance and 1 degree freedom the null hypothesis (H0) is rejected.

**Conclusion:** RUDSETI training has contributed and acted as key factor towards growth of small scale manufacturing industries

### **7. SUMMARY AND CONCLUSION:**

Entrepreneurship development training is now increasingly accepted as an instrument of promoting entrepreneurship in a country. Entrepreneurship training can kindle entrepreneurship spirit, develop entrepreneurship skills & build entrepreneurship personalities, equipped with mental orientations, practical skills and strategic visions required for success in entrepreneurial endeavors'. The present study narrates how RUDSETI is providing various kinds of Entrepreneurship Development Programmes (EDPs), promoting and supports towards successful establishment and running of small scale manufacturing industries in India.

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