

A STUDY ON EMPLOYMENT POTENTIALITY OF SELECTED MSMEs IN TELANGANA

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ABSTRACT

Industrialization has been recognized as tantamount to economic development. The gap in per capita income between the developed and under developed countries is usually attributed to the disparities in the structure of their economies where the developed countries are largely industrial economies, while the less developed countries are confined predominantly to agriculture. Micro, Small and Medium Enterprises (MSME) sector has been emerged as a highly vibrant and dynamic sector of the Indian economy over the last seven decades. MSMEs not only play crucial role in providing large employment opportunities at comparatively lower capital cost than large industries but also help in industrialization of rural & backward areas, thereby, reducing regional imbalances, assuring' more equitable distribution of national income and wealth. MSMEs are complementary to large industries as ancillary units and this sector contributes enormously to the socio-economic development of the country. The present research paper focused on employment generation of MSMEs in the selected areas of Telangana state.

KEYWORDS: MSME, Industrialization, Reducing Regional Imbalances, Socio-Economic Development.

Introduction

Micro, Small and Medium Enterprises have been considered as the engine of economic growth and for promoting equitable development. The major advantage of the sector is its employment potential at low capital cost. The labour intensity of the MSMEs sector is much higher than that of the large enterprises. The role of micro, small and medium enterprises in the economic and social development of the country is well established. The sector is a nursery of entrepreneurship, often driven by individual creativity and innovation. This paper analyses the employment potentiality of selected MSME in Telangana in terms of gender-wise employment.

Objectives of the Paper

- To study the year: wise and gender wise employment generation of selected MSMEs in Telangana.
- To study the Sector: wise and gender wise employment generation of selected MSMEs in Telangana
- To study the Category- wise and gender: wise employment generation of selected MSMEs in Telangana.

Methodology

The present research paper is based on primary data which has been collected through the questioner. The data collected for the study was 2012-13 to 2018-19 for comparison of employment generation growth. Several published reports are also used for comparison of the employment generation growth of MSMEs in the selected areas of Telangana.

Year-wise and Gender-wise Employment Generation of selected MSME

Table 1 reveals the year-wise and gender-wise employment generation of Micro, Small and Medium enterprises in Telangana. It could be seen from the table that (the proportion of male and female worker in the MSME) out of 7916 employees in the year 2012-13, 4979 employees were male and 2937

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employees were female constituting 62.89 per cent and 37.10 per cent of the total employees respectively. There were 6186 employees of male and 3086 employees of female making up 66.72 per cent and 33.28 per cent of the total employees 9272 employees in the year 2013-14, out of 10440 employees in the year 2014-15, 7201 employees were male and 3239 employees were female constituting 68.98 per cent and 31.02 per cent of the total employees respectively. In the year 2015-16 8005 were male employees and 3385 female employees forming 70.28 per cent and 29.71 per cent of the total employees of 11390 employees, 8538 male employees constituting 70.85 per cent and 3512 female employees and 29.15 per cent of the total employees, out of 12050 employees in the year 2016-17, 9223 male employees and 3584 female employees constituting 72.02 per cent and 27.98 per cent of the total of 12807 employees in the year 2017-18 and out of 13408 employees in the year 2018-19, 9720 male employees and 3688 female employees constituting 72.49 per cent and 27.51 per cent of the total employees respectively. Linear Growth Rates (LGR) of 11.35 per cent in total employees, 15.52 per cent of male employees and 4.28 per cent in female employees has been registered over the period of study.

Table 1: Year-wise and Gender-wise Employment Generation of selected MSME in Telangana

(No. of persons)

Years	Male	Percentage to Total	Female	Percentage to Total	Total
2012-13	4979	62.89	2937	37.10	7916
2013-14	6186	66.72	3086	33.28	9272
2014-15	7201	68.98	3239	31.02	10440
2015-16	8005	70.28	3385	29.71	11390
2016-17	8538	70.85	3512	29.15	12050
2017-18	9223	72.02	3584	27.98	12807
2018-19	9720	72.49	3688	27.51	13408
LGR	15.52	--	4.28	--	11.35
t-value	14.03	--	19.24	--	14.79
CV	20.34	--	7.57	--	16.46

Source: Field Survey

Sector-wise and Gender-wise Employment Generation of MSME

Table 2 shows the sector-wise and gender-wise employment generation of selected MSME in Telangana during 2012-13 to 2018-19. It could be observed from the table that the number of male employees was 4979 in 2012-13. A part of it, micro enterprises had 1478 persons, small consists of 1655 and medium enterprises of 1846. Similarly, out of 2937 female employees, 890 were employed in micro enterprises, 995 persons in small enterprises and 1052 in medium type of enterprises. It would be inferred from the above analysis that female employees were better had better employment potentiality than male in 2012-13. In 2013-14, out of the total 6186 male employees, the male employment potentiality of micro, small and medium enterprises was 1682, 1885 and 2619 persons respectively. Similarly, out of 3086 female employees, 985, 1025 and 1076 were employed in micro, small and medium enterprises respectively. In 2014-15, 2015 male employees and 996 female employees built up the employment statue of micro, 2485 male and 1085 female piled themselves to form the employment for small and medium enterprises includes 2701 male employees and female employees of 1158.

In 2015-16, 2232 persons of micro enterprises, 2648 employees of small enterprises and 3125 employees of medium enterprises formed the total size of male employees of 8005. Correspondingly, out of 3385 female employees, 1010 employees were in micro, 1120 in small and 1255 in medium enterprises. In 2016-17, 2454 employees of micro, 2746 employees of small and 3338 employees of medium enterprises created male employment strength of 8538. Likewise, female employees of 1065, 1160 and 1287 were employed in micro, small and medium enterprises respectively. In 2017-18, the total male employees of 9223 and female employees of 3584 persons, micro enterprises had 2646 male and 1080 female employees, small possessed 2984 male and 1190 female employees and medium enterprises of 3593 employees and 1314 employees respectively. In 2018-19, there were 9720 male employees out of which micro had 2834 persons; small 3161 persons and medium enterprises employed 3725. Similarly out of 3688 female employees, 1095, 1198 and 1395 were employed in Micro, Small and Medium enterprises respectively. After analysing the data, the linear growth rates of male employment of micro enterprises are 15.55 per cent per annum, for small enterprises 15.05 per cent per annum and medium enterprises of 15.91 per cent per annum in the total of 15.52 per cent per annum and female employment of micro enterprises at 3.51 per cent per annum, small enterprises at 3.64 per cent per annum and medium enterprises at 4.87 per cent respectively in the total of 4.28 per cent per annum.

Table 2: Sector-wise and Gender-wise Employment generation of MSME in Telangana

(No. of Persons)

Year	Male				Female			
	Micro	Small	Medium	Male Total	Micro	Small	Medium	Female Total
2012-13	1478	1655	1846	4979	890	995	1052	2937
2013-14	1682	1885	2619	6186	985	1025	1076	3086
2014-15	2015	2485	2701	7201	996	1085	1158	3239
2015-16	2232	2648	3125	8005	1010	1120	1255	3385
2016-17	2454	2746	3338	8538	1065	1160	1287	3512
2017-18	2646	2984	3593	9223	1080	1190	1314	3584
2018-19	2834	3161	3725	9720	1095	1198	1395	3688
LGR	15.55	15.05	15.91	15.52	3.51	3.64	4.87	4.28
t-value	26.11	9.01	8.72	14.03	7.08	12.94	5.08	19.24
CV	21.05	20.46	20.26	20.34	6.44	6.62	9.28	7.57

Source: Field Survey

Category-wise Male Employment Generation of selected MSME

The MSME sector has been playing an important role in generation of male employment in the Telangana. Table.3 shows the category-wise male employment generation of selected MSME in Telangana. It could be seen from the table that under micro enterprises, agro based industries employability increased from 220 persons in 2011-12 to 552 persons in 2018-19 with 250.9 per cent increase over the previous period, employment potentiality of forest based industries also rise from 110 persons in 2011-12 to 220 persons in 2018-19 with 200 per cent increase over the previous period; for textile based industries employment with 178.6 per cent increased over the previous period zoomed from 84 in 2011-12 to 150 in 2018-19; employment of mineral based industries skyrocketed from 30 in 2011-12 to 85 in 2018-19 with 283.3 per cent increase over the previous period; for engineering based industries employment increased from 374 persons in 2011-12 to 450 persons in 2018-19 with 120.3 per cent increase over the previous period, nil for animal husbandry industries; for chemical based industries increased by 283.3 per cent (from 30 to 85) and for others 630 persons in 2011-12 rise to 1292 persons in 2018-19 with 205.1 per cent increases over the previous period.

Under Small enterprises, agro based industries employment increased from 282 employees in 2011-12 to 672 employees in 2018-19 with 238.2 per cent increase over the previous period; mineral based industries and engineering based industries experienced equilibrium in employment trajectory, which increased from 165 in 2011-12 to 242 in 2018-19 with 146.7 per cent increase over the previous period, in animal husbandry industries increased from 198 employees in 2011-12 to 285 persons in 2018-19 with 143.9 per cent increase over the previous period. Likewise, employment opportunities of chemical based industries also improved from 105 employees in 2011-12 to 468 employees in 2018-19 with 445.7 per cent increase over the previous period and for others of increased from 740 employees in 2011-12 to 1252 employees in 2018-19 with 169.2 per cent increase the over previous period.

It could be seen from the medium enterprises segment that in agro based industries size of employment increased from 290 persons in 2011-12 to 645 employees in 2018-19 with 222.4 per cent increase over the previous period; nil in forest, chemical and mineral based industries, while employment strength of textile based industries substantially amplified from 210 in 2011-12 to 720 in 2018-19 with increment of 342.9 per cent over the previous period. Quantity of employment of engineering based industries increased from 220 employees in 2011-12 to 610 employees in 2018-19 with 277.3 per cent increase over the previous period, animal husbandry industries registered 205.5 per cent increase, and for others it increased from 906 employees in 2011-12 to 1298 employees in 2018-19 with 143.3 per cent increases over the previous period.

Table 3: Category-wise Male Employment Generation of MSME in Telangana

(No. of person)

S. No.	Industrial Category	Micro			Small			Medium		
		2011-12	2018-19	Increase over previous period	2011-12	2018-19	Increase over previous period	2011-12	2018-19	Increase over previous period
1.	Agro Based	220	552	250.9	282	672	238.2	290	645	222.4
2.	Forest Based	110	220	200.0	0	0	0	0	0	0
3.	Textile Based	84	150	178.6	0	0	0	210	720	342.9
4.	Mineral Based	30	85	283.3	165	242	146.7	0	0	0

5.	Engineering Based	374	450	120.3	165	242	146.7	220	610	277.3
6.	Animal husbandry	0	0	0	198	285	143.9	220	452	205.5
7.	Chemical based	30	85	283.3	105	468	445.7	0	0	0
8.	Others	630	1292	205.1	740	1252	169.2	906	1298	143.3
Total		1478	2834	191.7	1655	3161	191.0	1846	3725	201.8

Source: Field Survey

Category-wise Female Employment Generation of MSME

The MSME sector has been playing a vital role in female employment generation in the Telangana. Table 4 reveals the category-wise female employment generation of MSME in Telangana. It could be observed from the table if micro sector is considered, agro based industries female employment potentiality rose from 182 employees in 2011-12 to 210 employees in 2018-19, registering 115.4 per cent increment over the previous period; employment of forest based industries rose from 98 employees in 2011-12 to 115 employees in 2018-19 recording an increment of 117.3 per cent over the previous period; with 153.2 per cent increase over the previous period, employment of textile based industries enhanced from 62 in 2011-12 to 95 in 2018-19; in mineral based industries 260 per cent growth rate from 2011-12 to 2018-19; size of employment of engineering based industries increased from 120 employees in 2011-12 to 142 employees in 2018-19 by registering an increment of 118.3 per cent over the previous period. There were no employment opportunities from animal husbandry industries, while chemical based industries registered 260.0 per cent growth rate in employment and employment opportunities of others also escalated from 378 employees in 2011-12 to 403 employees in 2018-19, by registering a growth rate of 106.6 per cent over the previous period.

Similarly, under small enterprises segment, employment of agro based industries rose from 210 female employees to 290 employees in 2018-19 with 120.4 per cent increase over the previous period, the mineral and engineering based industries having equal employment generation capacity with 121.6 per cent increase over the previous period, labour employment potentiality of animal husbandry industries rose from 85 employees in 2011-12 to 94 employees in 2018-19 by exhibiting 110.6 per cent increase over the previous period, chemical based industries employment improved from 68 employees in 2011-12 to 72 employees in 2018-19, by showing increase over the previous period of 105.9 per cent and others employment also rose from 382 employees to 438 employees by holding increase over the previous period at 114.7 per cent. In medium enterprises, under agro based industries female employees rose from 210 in 2011-12 to 252 employees in 2018-19 with 120 percent increase over the previous period, nil from forest and mineral based industries; textile based industries registered 122.2 per cent increase over the previous period; engineering based industries rose from 182 employees in 2011-12 to 232 employees in 2018-19 with 127.5 per cent increase over the previous period; animal husbandry industries recorded 127.5 per cent growth rate; employment potentiality was nil throughout the period for chemical based industries and others employment increased from 316 employees in 2011-12 to 481 employees in 2018-19 with 152.2 per cent increase over the previous period.

Table 4: Category-wise Female Employment Generation of selected MSME in Telangana

(No. of Person)

S. No.	Industrial Category	Micro			Small			Medium		
		2011-12	2018-19	Increase over previous period	2011-12	2018-19	Increase over previous period	2011-12	2018-19	Increase over previous period
1.	Agro Based	182	210	115.4	210	290	138.1	210	252	120.0
2.	Forest Based	98	115	117.3	0	0	0	0	0	0
3.	Textile Based	62	95	153.2	0	0	0	162	198	122.2
4.	Mineral Based	25	65	260.0	125	152	121.6	0	0	0
5.	Engineering Based	120	142	118.3	125	152	121.6	182	232	127.5
6.	Animal husbandry	0	0	0	85	94	110.6	182	232	127.5
7.	Chemical based	25	65	260.0	68	72	105.9	0	0	0
8.	Others	378	403	106.6	382	438	114.7	316	481	152.2
Total		890	1095	123.0	995	1198	120.4	1052	1395	132.6

Source: Field Survey

Summary of Findings and Conclusion

- It is found that highest percentage of male employment generation is 72.49 in 2018-19, whereas highest percentage of female employment generation was 37.10 in 2012-13.
- It is also found that the Leaner Growth Rate of male employees, female employees and total employees are 15.52, 4.28 and 11.35 respectively

- The sector wise analysis analyses reveals that the highest male employment generation is 9,720 in 2018-19. In case of female employment generation it is 3,688 in 2018-19.
- The sector wise analysis exhibited that the linear growth rates of male employment of
- micro enterprises are 15.55 per cent per annum, for small enterprises 15.05 per cent per annum and medium enterprises of 15.91 per cent per annum in the total of 15.52 per cent per annum
- Female employment of micro enterprises at 3.51 per cent per annum, small enterprises at 3.64 per cent per annum and medium enterprises at 4.87 per cent respectively in the total of 4.28 per cent per annum.
- The Category wise analysis reveals that, the highest increase in male employment generation over previous period is 283.3 each in mineral based and chemical based enterprises in the category of micro enterprises, in total it is 191.7 percent. Whereas in small enterprises category the chemical based industry has highest employment generation potentiality 445.70 percent in total it is 191 percent. In case of medium enterprises highest employment generation is 342.9 percent in textile based industry in total it is 201.8 percent.
- The Category wise analysis reveals that, the highest increase in female employment generation over previous period is 260 each in mineral based and chemical based enterprises in the category of micro enterprises, in total it is 123 percent. Whereas in small enterprises category the Agro based industry has highest employment generation potentiality 445.70 percent in total it is 120.4 percent. In case of medium enterprises highest employment generation is 152.2 percent in other category enterprise in total it is 132.6 percent.

The Micro, Small and Medium Enterprises (MSMEs) contribute to economic development in various ways, such as creating employment opportunities for rural and urban population, providing goods and services at affordable costs by offering innovative solutions and sustainable development of the economy as a whole. MSMEs in India and particularly in Telangana face a unemployment problems, limited resources and non availability of skilled employees. The sectors also contributes significantly to manufacturing output, employment and exports of the country. It is estimated that in terms of value, the sector accounts for about 45 per cent of the manufacturing output and 30 percent of total exports of the country. To make this sector to become more vibrant and significant player in the development of the Indian economy, the Government has to take various initiatives.

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