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PROBLEMS OF MINERAL-BASED SMALL SCALE INDUSTRIAL UNITS IN TIRUPATI DISTRICT: A FIELD SURVEY

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Abstract

Mineral-based industries play an important role in industrial development by utilizing locally available mineral resources, creating employment opportunities, and contributing to regional economic growth. However, these industries encounter numerous operational and managerial challenges that affect their productivity and sustainability. The present study examines the major problem factors affecting mineral-based units based on a field survey. The study considers seven broad dimensions, namely raw materials, marketing, power supply, labour, finance, technical and managerial assistance, and government-related factors. A structured questionnaire using a five-point Likert scale was administered, and weighted mean scores were calculated to determine the severity of each problem.

The findings reveal that training and development (4.17), uncertainty in power supply (3.92), expensive consultancy services (3.92), competition from large units (3.83), slackness in demand (3.83), distribution controls (3.83), shortage of fixed capital (3.83), and high interest rates (3.83) are among the most critical challenges faced by mineral-based units. At the category level, government-related issues (3.44), marketing (3.43), and finance (3.43) emerged as the most significant problem areas. The study concludes that improving government support, ensuring reliable infrastructure, strengthening financial assistance, enhancing managerial capabilities, and promoting skill development are essential for the sustainable growth of mineral-based industries.

Keywords: Mineral-based industries, Small-scale industries, Raw materials, Marketing problems, Finance, Labour, Power supply, Government policies, Weighted Mean Score, Industrial development

Research Methodology

The present study is descriptive and analytical in nature. It aims to identify and analyze the major problems encountered by mineral-based industrial units in Tirupati District.

Research Design: Descriptive survey research.



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Source of Data: The study is based on primary data and secondary data, the primary data was collected through a structured questionnaire administered to owners and managers of mineral-based industrial units. Secondary data was obtained from books, journals, government publications, and reports relating to small-scale industries.

Sampling Technique: Convenience and purposive sampling techniques were adopted for selecting the respondents from mineral-based industrial units.

Sample Size: Opinions of 13 sample entrepreneurs of mineral based units with regard to various problem factors are presented in table 1.

Research Instrument: A structured questionnaire based on a five-point Likert scale was used, where:

- 1 = Very Low Problem
- 2 = Low Problem
- 3 = Moderate Problem
- 4 = High Problem
- 5 = Very High Problem

Scope of the Study: The study focuses on the operational, financial, technical, marketing, labour, and policy-related problems experienced by mineral-based industrial units.



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Table 1

Problems of Mineral based Units

Sl. No.	Particulars	1	Wt	2	Wt	3	Wt	4	Wt	5	Wt	Total	Wt	Wt. mean score
1	Raw material													
1.1	Scarcity	7	7	45	90	133	399	97	388	18	90	300	974	3.25
1.2	High cost	2	2	6	12	3	9	0	0	1	5	12	28	2.33
1.3	Low quality	0	0	5	10	6	18	1	4	0	0	12	32	2.67
1.4	Transport	0	0	1	2	4	12	7	28	0	0	12	42	3.50
	TOTAL	5	5	43	86	35	75	22	88	1	5	96	259	2.70
2	Marketing													
2.1	Competition from other small units	5	5	35	70	56	168	173	692	31	155	300	1090	3.63
2.2	Competition from large units	1	1	1	2	1	3	5	20	4	20	12	46	3.83
2.3	Slackness in demand	0	0	2	4	0	0	8	32	2	10	12	46	3.83
2.4	Price control	0	0	7	14	4	12	1	4	0	0	12	30	2.50
2.5	Distribution controls	0	0	0	0	4	12	6	24	2	10	12	46	3.83
2.6	Problems of transport	1	1	1	2	2	6	3	12	5	25	12	46	3.83
	TOTAL	2	2	22	44	16	48	26	104	18	90	84	288	3.43
3	Power supply													
3.1	Scarcity	0	0	4	8	4	12	3	12	1	5	12	37	3.08
3.2	Uncertainty	0	0	1	2	2	6	6	24	3	15	12	47	3.92
3.3	High Cost	50	50	132	264	71	213	34	136	13	65	300	728	2.43
	TOTAL	266	266	824	1648	725	2175	643	2572	242	1210	2700	7871	2.92
4	Labour													
4.1	Training	15	15	119	238	104	312	47	188	15	75	300	828	3.50
4.2	Unionisation	6	6	47	94	112	336	107	428	28	140	300	1004	3.35
4.3	Turnover	27	27	88	176	87	261	74	296	24	120	300	880	2.93
4.4	Absenteeism	18	18	138	276	99	297	40	160	5	25	300	776	2.59
	TOTAL	140	140	659	1318	664	1992	509	2036	128	640	2100	6126	2.92
5	Finance													
5.1	Shortage of working capital	5	5	35	70	56	168	173	692	31	155	300	1090	3.63
5.2	Shortage of fixed capital	1	1	1	2	1	3	5	20	4	20	12	46	3.83
5.3	High rates of interest	0	0	2	4	0	0	8	32	2	10	12	46	3.83
5.4	Red-tapism in Govt. offices	0	0	7	14	4	12	1	4	0	0	12	30	2.50
5.5	Meager assistance from Govt. agencies	0	0	0	0	4	12	6	24	2	10	12	46	3.83
	TOTAL	2	2	22	44	16	48	26	104	18	90	84	288	3.43
6	Technical & Managerial Assistance													
6.1	Ineffective consultancy service provided by the Govt. agencies	0	0	4	8	4	12	3	12	1	5	12	37	3.08
6.2	Expensive consultancy service provided by the private agencies	0	0	1	2	2	6	6	24	3	15	12	47	3.92
6.3	Non-availability of proficient managers	50	50	132	264	71	213	34	136	13	65	300	728	2.43
	TOTAL	266	266	824	1648	725	2175	643	2572	242	1210	2700	7871	2.92
7	Labour													
7.1	Licence	15	15	119	238	104	312	47	188	15	75	300	828	3.50
7.2	Location	6	6	47	94	112	336	107	428	28	140	300	1004	3.35
7.3	Subsidies	27	27	88	176	87	261	74	296	24	120	300	880	2.93
7.4	Financial policies	18	18	138	276	99	297	40	160	5	25	300	776	2.59
7.5	Training and Development	4	4	27	54	30	90	92	368	147	735	300	1251	4.17
	TOTAL	33	33	284	568	430	1290	490	1960	263	1315	1500	5166	3.44

Source : Field Survey

Wt : Weighted Score



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Table 1 presents the major problems experienced by mineral-based industrial units based on weighted mean scores.

Raw Material Problems

Among the raw material-related issues, transport of raw materials recorded the highest weighted mean score (3.50), indicating that transportation is the most serious concern. Scarcity of raw materials also emerged as a significant problem with a mean score of 3.25. Low quality (2.67) and high cost (2.33) were comparatively less severe. The overall weighted mean score for raw material problems was 2.70, suggesting a moderate level of concern.

Marketing Problems

Marketing-related issues were found to be among the major challenges. Competition from large units, slackness in demand, distribution controls, and transport-related marketing problems each obtained a high weighted mean score of 3.83. Competition from other small units also recorded a high score of 3.63. Price control received the lowest score (2.50). The overall weighted mean score for marketing problems was 3.43, indicating that marketing is one of the most significant obstacles for mineral-based industries.

Power Supply Problems

Within the power supply category, uncertainty of power supply received the highest weighted mean score (3.92), indicating that unreliable electricity significantly affects production activities. Scarcity of power scored 3.08, while the high cost of electricity received a comparatively lower score of 2.43. The overall weighted mean score was 2.92, indicating moderate concern.

Labour Problems

Training requirements emerged as the most important labour-related issue with a weighted mean score of 3.50, followed by unionisation (3.35) and labour turnover (2.93). Absenteeism recorded the lowest score (2.59). The overall weighted mean score of 2.92 suggests that labour-related problems moderately influence industrial performance.



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Finance Problems

Financial constraints were identified as one of the most serious challenges. Shortage of fixed capital, high rates of interest, and inadequate assistance from government agencies each obtained a weighted mean score of 3.83. Shortage of working capital also recorded a high score of 3.63, while red-tapism in government offices received a comparatively lower score of 2.50. The overall weighted mean score of 3.43 indicates that finance is a major constraint affecting the growth of mineral-based units.

Technical and Managerial Assistance

Among technical and managerial issues, expensive consultancy services provided by private agencies recorded the highest weighted mean score (3.92). Ineffective consultancy services from government agencies scored 3.08, while the non-availability of proficient managers received a comparatively lower score of 2.43. The overall weighted mean score was 2.92, indicating a moderate level of technical and managerial constraints.

Government and Institutional Factors

Government-related factors recorded the highest overall weighted mean score (3.44), making this the most significant category of problems. Training and development obtained the highest individual weighted mean score (4.17), indicating an urgent need for skill enhancement programmes. Licence-related issues scored 3.50, followed by location (3.35), subsidies (2.93), and financial policies (2.59).

Conclusion

The study concludes that mineral-based industrial units face multiple operational and institutional challenges that hinder their growth and competitiveness. Government-related issues emerged as the most critical problem category, particularly the need for training and development programmes, which recorded the highest weighted mean score (4.17). Marketing and financial constraints were also identified as major obstacles, reflecting intense competition,



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inadequate demand, shortage of capital, and limited institutional support. Uncertainty in power supply and the high cost of consultancy services further affect operational efficiency.

Although raw material problems were comparatively less severe, transportation difficulties and scarcity of raw materials continue to influence production activities. The findings indicate that strengthening financial assistance, simplifying government procedures, improving infrastructure, providing reliable power supply, enhancing skill development programmes, and facilitating affordable technical consultancy services are essential for improving the productivity and sustainability of mineral-based industries. Effective policy interventions and institutional support will significantly contribute to the long-term development and competitiveness of this sector.

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