

CHAPTER - 6

A Study on various Problematic Dimensions of Food Processing Industries

6.1 Introduction

The multi-dimensional problems as suffered by the food processing industries of Kokrajhar district are the root cause, as for why notwithstanding their ample potentialities, still no satisfactory development is taken place. After going through the observation made during the field survey, multi-dimensional problems of food processing industries have been identified into many categories. Further, it has observed that these multifarious problems create different kinds of problems and consequently these problems adversely affect the overall development of the industries under study. The lack of industrial environment is the reason, as for why the existing food processing industries of the district are remained not only underdeveloped but also measurably fail to attract the outside investors as well as new entrepreneurs towards the field of food processing industries of the district. In the current competitive marketing scenario emerged from the globalized environment, it is seen that day by day many new products produced by national as well as international producers are entering in the market of Kokrajhar district. All of these above facts and circumstances warrant a careful research work on problematic dimensions of food processing industries of Kokrajhar district. This sort of research work will certainly contribute in framing survival and revival policy for these industries and also helps in formulating competitive marketing strategies to sell their goods in the same satisfaction of the national and multinational products. That is why this chapter aims at identifying the major problems which stand on the way of the overall development of the selected industries of the district under study.

6.2 Objective of the Chapter

The general objective of the Study is to identify some major problems of the selected industries which stand on the way of their development. To achieve these objectives mainly the study aims at examining different major problems. Unless and until identify the causes of the various problems of the selected food processing industries of Kokrajhar District, it is very difficult to adopt any remedial measures. On the other hand, without removing these problems, no industry can successfully survive in the competitive market. That is why; the basic objective of this chapter is to examine the multifarious problems faced by the selected food processing industries under study.

6.3 Methodology of the Chapter

This chapter attempts to discuss those problems of the food processing industries of Kokrajhar district, which stand on the way of developing these industries. In doing so the different problems faced by the selected food processing industries of Kokrajhar Districts are identified and the problems are categorized into various dimensions. In this chapter, an attempt has been taken to analyze the overall existing problems which have badly affected these industries. In order to collect the feedbacks of 90 number of proprietors of the industry regarding their opinions towards the various problems, priority wise problems have been categorized. In order to analyze the problems in a systematic way, all categories of problems are distributed rank wise. The rank 1 means lowest priority, rank 2 means moderate priority and rank 3 means the highest priority of the problems respectively.

The opinion obtained from the 90 number of respondents regarding the priority of problems are presented and analyzed through combined arithmetic mean and arithmetic mean by using the following formula to find out the weightage of the problems.

$$\text{(Combined Mean)} \bar{x} = \frac{n_1\bar{x}_1 + n_2\bar{x}_2 + \dots + n_k\bar{x}_k}{n_1 + n_2 + \dots + n_k} \text{ and (Average)} \bar{x} = \frac{\text{Sum of all the observations}}{\text{Total number of Observations}}$$

Where $\bar{x}_1, \bar{x}_2, \dots, \bar{x}_k$ be the means of 1st, 2nd,, kth series or class with n_1, n_2, \dots, n_k Observations.

6.4 Analysis of Various Problems of Food Processing Industries under Study

The various problems as suffered by the selected industries of Kokrajhar district are discussed below.

6.4.1 Infrastructure Problems

The infrastructural facility like road, rail, air, power, telecommunication, banking etc. is vital for the development of any kind of industry. Hence, to observe the prevailing condition of the infrastructural facility of the Kokrajhar District a careful observation is done because infrastructure implies those facilities which are basic to all industries. In case of selected 90 number of food processing industries of five categories in Kokrajhar District, mainly five factors of infrastructural facilities are taken into observation. These are transportation, power, warehouse, banking and insurance. With a view to eliciting the view of selected 90 number of food processing industries a question was put against each factor and their opinion was accepted in different ranks. The respond obtains from the proprietors of the industries are given in the following table.

Table No. 6.1

Priority wise distribution of opinion of respondents on infrastructure problems

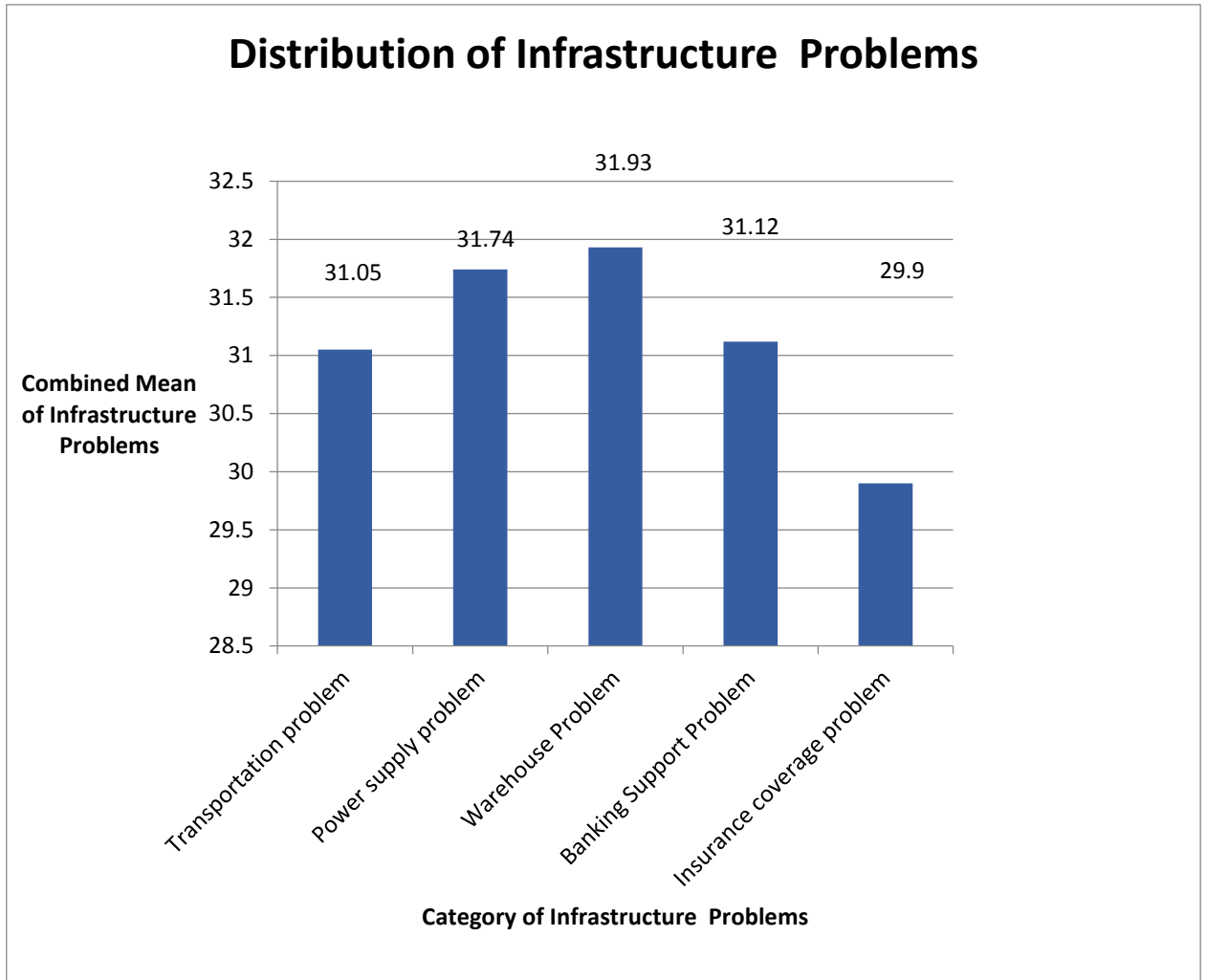
Sl no of Elements of Problems	Infrastructure Problems	Rank : 1 (Lowest priority)	Rank :2 (Moderate Priority)	Rank:3 (Highest Priority)	Combined Mean
1	Transportation Facilities	33	18	39	31.05
2	Power Supply	15	34	41	31.74
3	Warehouse Availability	12	36	42	31.93
4	Banking Support	25	27	38	31.12
5	Insurance Coverage	39	20	31	29.90

Source: Compiled from field survey and questionnaires

N.B: Averages of (Rank 1= 24.8, Rank 2 = 27, Rank 3 = 38.2)

The following figure represents infrastructure related problems faced by the selected industry under study.

Figure: 6.1



In the light of the table no: 6.1, it is detected that as compared to other problems insurance coverage problem is found to be less because it gets the lowest combined mean, i.e., 29.90 of infrastructures problems. On the other hand, the highest problem is found in case of warehouse availability as because it carries highest combined mean, i.e., 31.93 of infrastructures problems. In between these two problems other problems such as transportation facilities, power supply, and banking support have been taken

place by acquiring the combined mean as 31.05, 31.74 and 31.12 respectively of infrastructures problems.

6.4.2 Human Resource Skill Problems

Human resource skill is considered an important factor for accelerating industrial development so far as the food processing industry is concerned. These are conceptual skill which includes basic concept and idea regarding the business activities and organization and management process as well as various activities performed by the respective industries. The second dimension is the technical skill which covers the skill of production technology, handling machines and equipment, computer & It etc. The last dimension communication skills include all kind of communication efficiency, intra and interpersonal relationship along with awareness and business attitude. Considering these three dimensions of HR skill the following table has prepared for the selected 90 industries of five categories under study.

Table No. 6.2

Priority wise distribution of opinion of respondents on Human Resource Skill problems

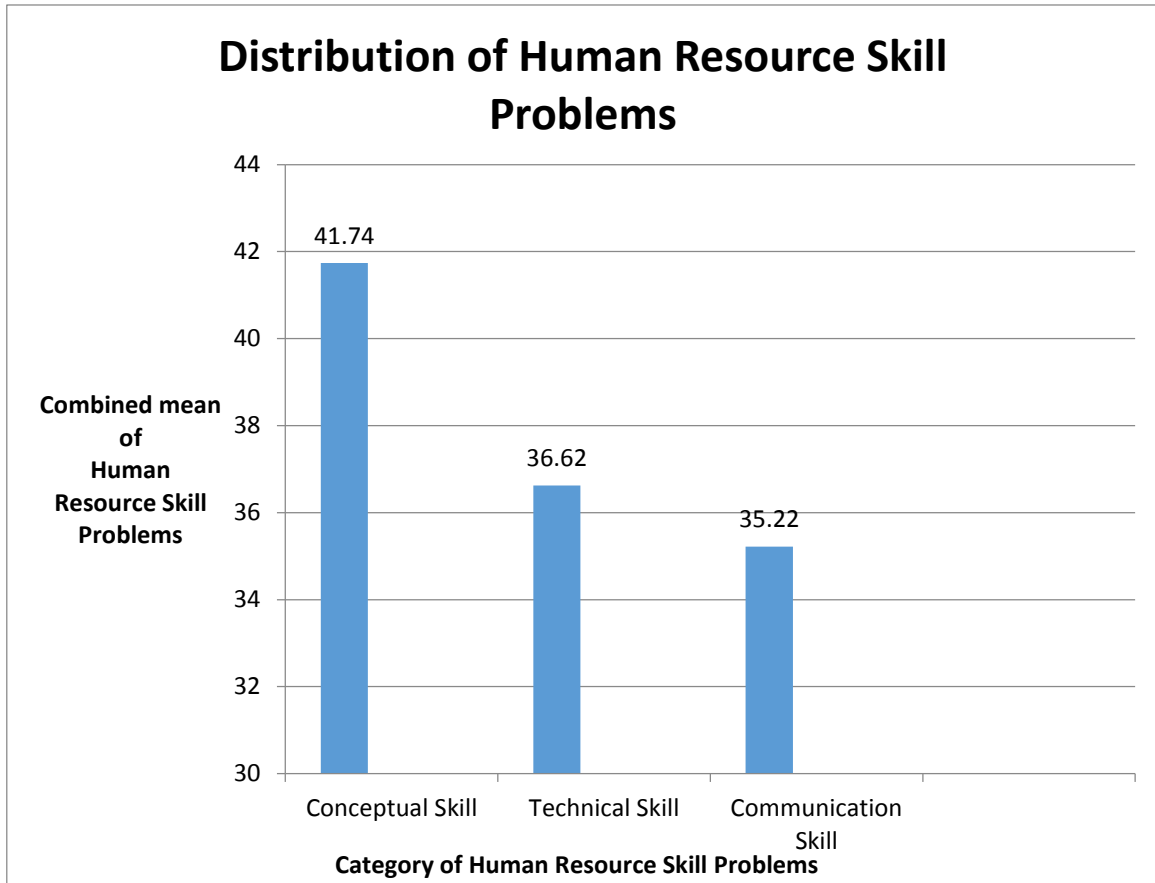
Sl number of elements of problems	Human Resource Problems	Rank :1 (Lowest Priority)	Rank :2 (Moderate Priority)	Rank:3 (Highest Priority)	Combined Mean
1	Conceptual Skill	5	25	60	41.74
2	Technical Skill	5	33	47	36.62
3	Communication Skill	15	35	40	35.22

Source: *Compiled from field survey and questionnaires.*

N.B: Averages of (Rank 1= 8.33, Rank 2 =31, Rank 3 = 49)

The following figure represents human resource skill related problems faced by the selected industry under study.

Figure: 6.2



In the light of the table no: 6.2, it is detected that conceptual skill among these industries is the highest problem than that of the communication and technical skills problems. The highest combined mean of conceptual skills, i.e., 41.74 of human resource Problems revealed that the selected industries have lack of knowledge regarding innovative business idea and creativity. On the other hand, communication skills are found to be lowest combined mean, i.e., 35.22 of human resource Problems as compared to other two skills which signify that communication efficiency and intra & interpersonal relationship are good as compared to conceptual and technical skills.

6.4.3 Financial Problems

A careful study on the financial activity of the selected food processing industries is urgently needed. It is because without the efficient and effective use of money these industries never can accomplish their desired goal. Hence in this part, an attempt is

being taken to observe the overall position of the financial activity. In doing so, three criteria related to financial activities are selected. These are the availability of source of finance, efficient utilization of fund and delayed payment.

The availability of source of finance implies whether the selected industries can get their necessary finance from different sources which may be bank, investments, financial institutions, own fund, the fund from relatives, friend circle and others. The second criteria are the efficient utilization of fund or poor knowledge of financial management indicates whether the selected industries can use the fund efficiently through designing properly financial plan, policy, and control mechanism along with the systematic allocation of fund and credit policy. The third criteria delayed for payment or credit sale means the capacity of recovering the selling price. Considering these three criteria a questionnaire analysis has been conducted to elicit the views of 90 number of the respondent, which is depicted in the following tables.

Table No. 6.3

Priority wise distribution of opinion of respondents on financial problems

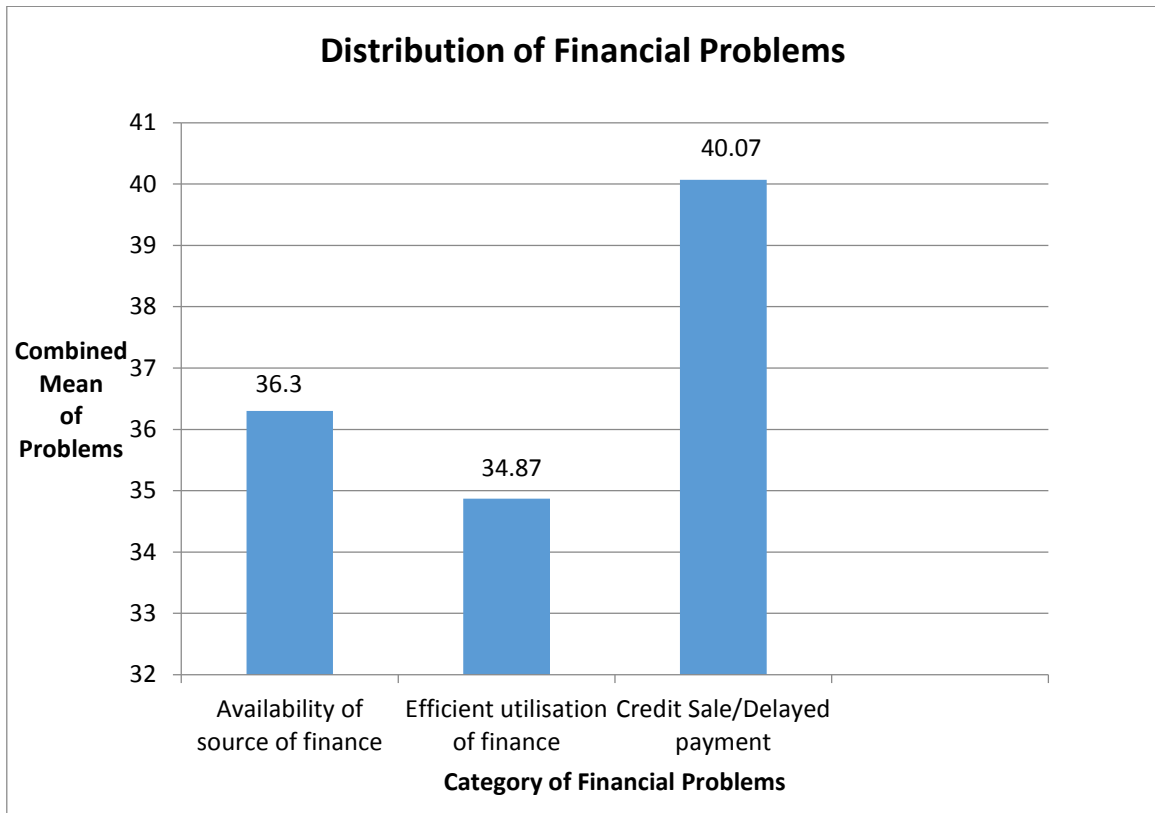
Sl number of elements of Problems	Financial Problems	Rank:1 (Lowest Priority)	Rank:2 (Moderate Priority)	Rank:3 (Highest Priority)	Combined Mean
1	Availability of source of Finance	13	32	45	36.30
2	Efficient Utilisation of Finance or knowledge of financial management	15	35	40	34.87
3	Delayed for payment/ credit sale	10	20	60	40.07

Source: Compiled from field survey and questionnaires.

N.B: Averages of (Rank 1= 12.66, Rank 2 = 29, Rank 3 =48)

The following figure represents financial problems faced by the selected industry under study.

Figure: 6.3



From the observation of the table no: 6.3, it is reflected that these industries obtained highest combined mean, i.e., 40.07 of financial problems in case of profit earning capacity which show that these industries are not capable of enhancing their earning capacity. On the other hand, as compared to the source of finance and profit earning capacity these industries are found to be good in case of efficient utilization of finance as because it carries lowest combined mean, i.e., 34.87 of financial problems.

6.4.4 Production Problems

The production activities cover all activities which are emerged from the time of using raw materials up to the time of achieving the final product. All of these activities are examined under the three categories. These are sources of raw materials, the efficiency of the production process and outdated machinery. In this regards, it is to be mention

that the source of raw material includes the availability of a source of raw materials, the quality of raw materials, the price of raw material, etc. On the other hand, the efficiency of production has analyzed considering quality control, cost control, use of labour, machines and raw materials etc. The old machinery indicated use old machinery or lack of sophisticated tools. Thereby, these points have emphasis whether these selected industries can apply this latest technology with a view to compete with the national level products. Below a table is prepared by questionnaire analysis of 90 number of the respondent to elicit their opinion regarding the position of these industries so far as the above three criteria of their production activity are concern.

Table No. 6.4

Priority wise distribution of opinion of respondents on production problems

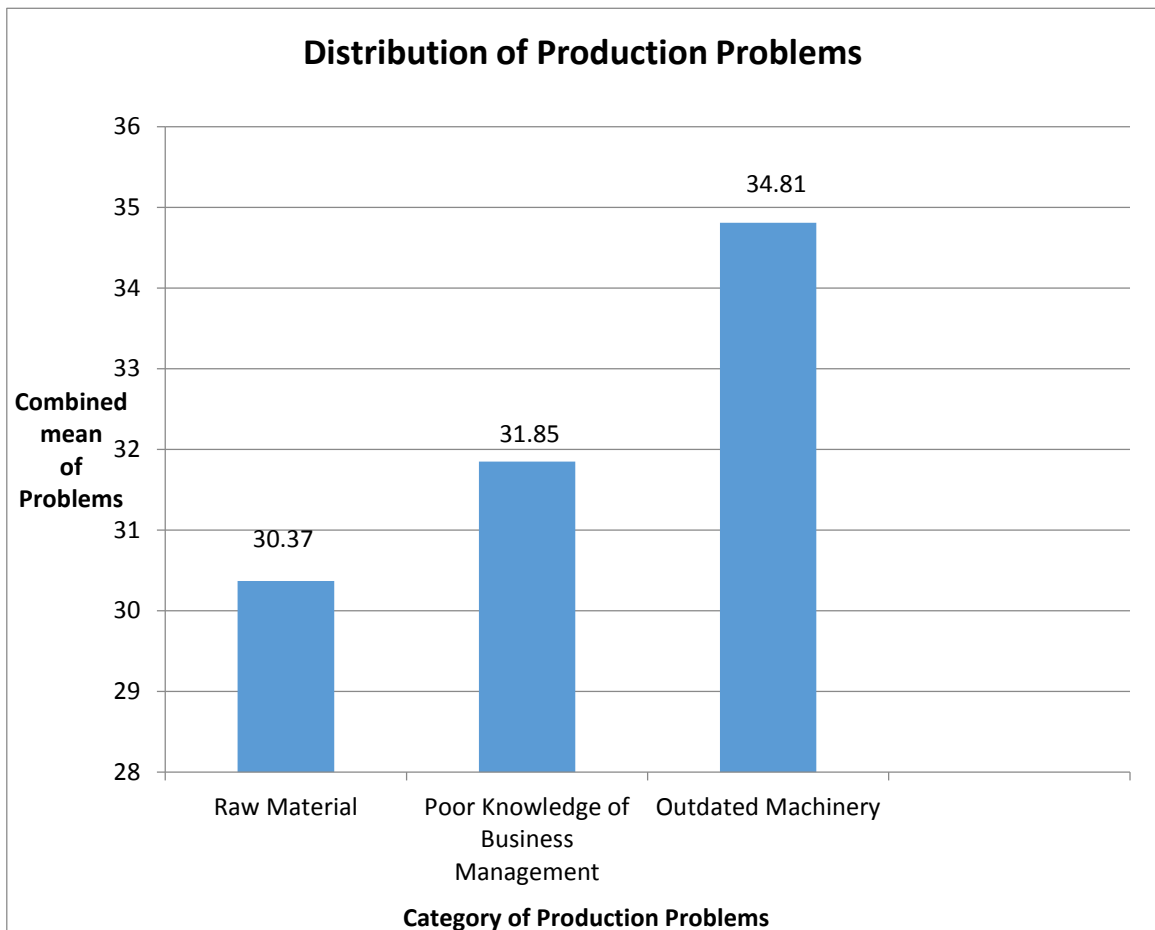
Sl number of elements of problems	Production Problems	Rank:1 (Lowest Priority)	Rank:2 (Moderate Priority)	Rank:3 (Highest Priority)	Combined Mean
1	Raw Material	35	30	25	30.37
2	Poor Knowledge of business management	25	30	35	31.85
3	Outdated machinery	5	30	55	34.81

Source: Compiled from field survey and questionnaires.

N.B: Averages of (Rank 1= 25, Rank 2 = 30, Rank 3 =38.33).

The following figure represents production problems faced by the selected industry under study.

Figure: 6.4



In the observation of the table no: 6.4, it is clear that in case of raw material these industries obtain lowest combined mean, i.e., 30.37 of production problems as compared to remaining two factors. Thereby, it can be proved that these industries can be able to go into some extent of capturing sources of raw materials, maintaining the quality of raw materials and transportation of raw materials. In the case of the third element, i.e., outdated machinery, these industries acquire highest combined mean, i.e., 34.81 of production problems. It has proved that these industries are not still developed

in case of using new and innovative modern machines, equipment's or technology in the production process.

6.4.5 Marketing Problems

Basically, marketing involves buying and selling activities. In order to achieve the optimum combination of available marketing ingredients, the application of efficient marketing mix is urgently required. Further, an effective marketing mix can help in the accomplishment of the organizational goal. Generally; the basic marketing mix is the merger of four inputs, which are the core of the marketing systems, i.e., (I) Product mix (ii) Price mix (iii) Place mix (IV) Promotion mix. With a view depicting a complete picture of marketing activities of the selected industries, a discussion is made with the proprietors of the selected industry taking four P's of the marketing mix as a marketing tool. Accordingly, a questionnaire analysis is conducted among 90 number of the selected respondent to elicit their views, attitude, and experience towards the four elements of the marketing mix as given in the table no : 6.5. Product mix includes basically technology, quality, packaging, branding, convenience, product line, design, labeling etc .and price mix includes strategic pricing, skimming pricing, penetration pricing, psychological pricing, cost-plus pricing, terms of credit, discounts, nonprice competition etc. On the other hand, place mix considered retail, wholesaler, direct sales, peer to peer, internet, multichannel aspects. Likewise, promotion mix covers advertising, publicity, special offers, user trial, endorsement, direct mailing, gift, joint venture and posters factors. Taking all of these factors the feedback of the respondent is represented in the following table.

Table No. 6.5

Priority wise distribution of opinion of respondents on Marketing problems

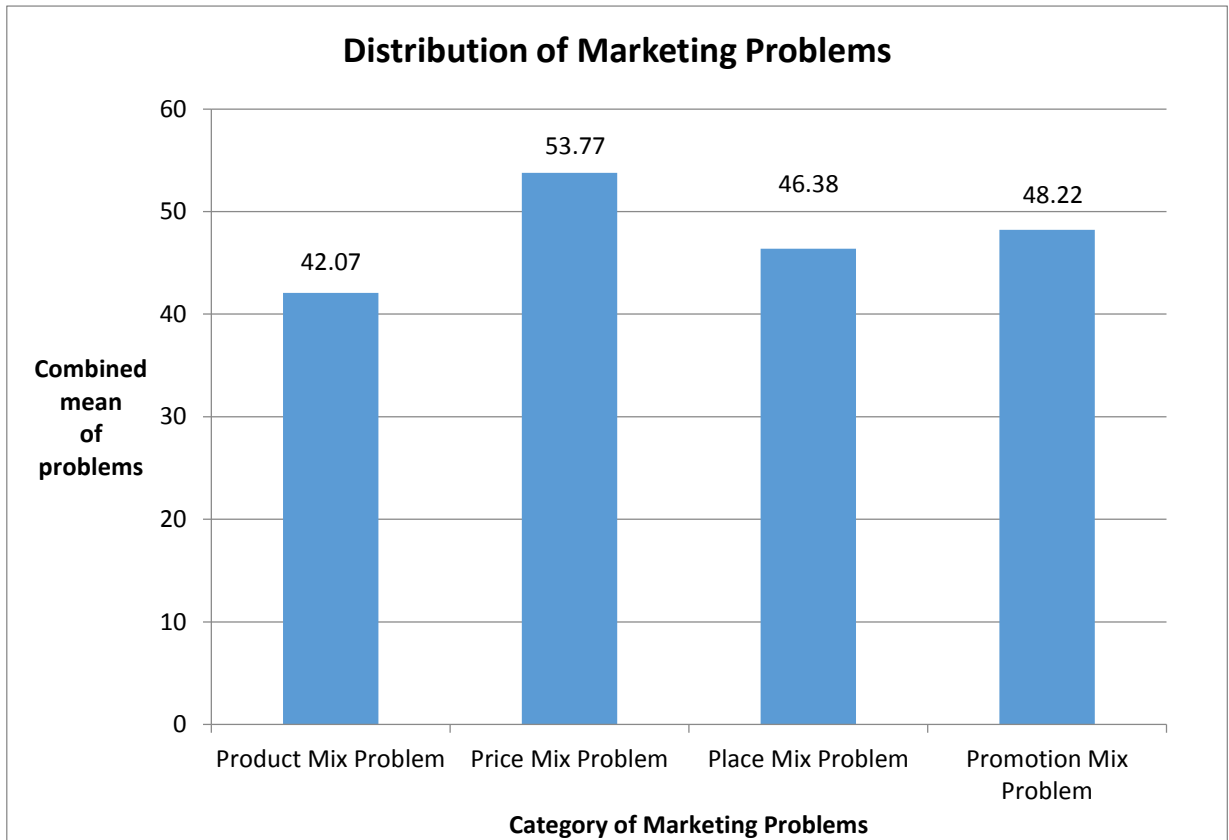
Sl number of elements of Problems	Marketing Problems	Rank:1 (Lowest Priority)	Rank:2 (Moderate Priority)	Rank:3 (Highest Priority)	Combined Mean
1	Product Mix Related Problems	9	32	49	42.07
2	Price Mix Related problems	4	11	75	53.77
3	Place Mix related problems	6	26	58	46.38
4	Promotion Mix related problems	3	26	61	48.22

Source: Compiled from field survey and questionnaires.

N.B: Averages of (Rank 1= 5.5, Rank 2 = 23.75, Rank 3 = 60.75)

The following figure represents marketing problems faced by the selected industry under study.

Figure: 6.5



In the light of the table no: 6.5, it is observed that by obtaining lowest combined mean, i.e., 42.07 in marketing problems against product mix reflects that these industries have occupied a good position in case of marketing their product variety, design, quality, branding etc. as compared to remaining 4 P's of marketing mix. On the other hand, obtaining highest combined mean, i.e. 53.77 in marketing problems against price mix it is proved that these industries have to pay more attention to adopt efficient and effective pricing policies and strategies to attract the customer in the present market.

6.4.6 Technological Problems

Technology is a fundamental element to run any industry in the competitive environment. The technological problem is one of the major problems in the selected industry of Kokrajhar district. The following table is prepared to analyze the various problematic dimensions of technological issues of the selected industries under study.

Table No. 6.6

Priority wise distribution of opinion of respondents on Technological problems

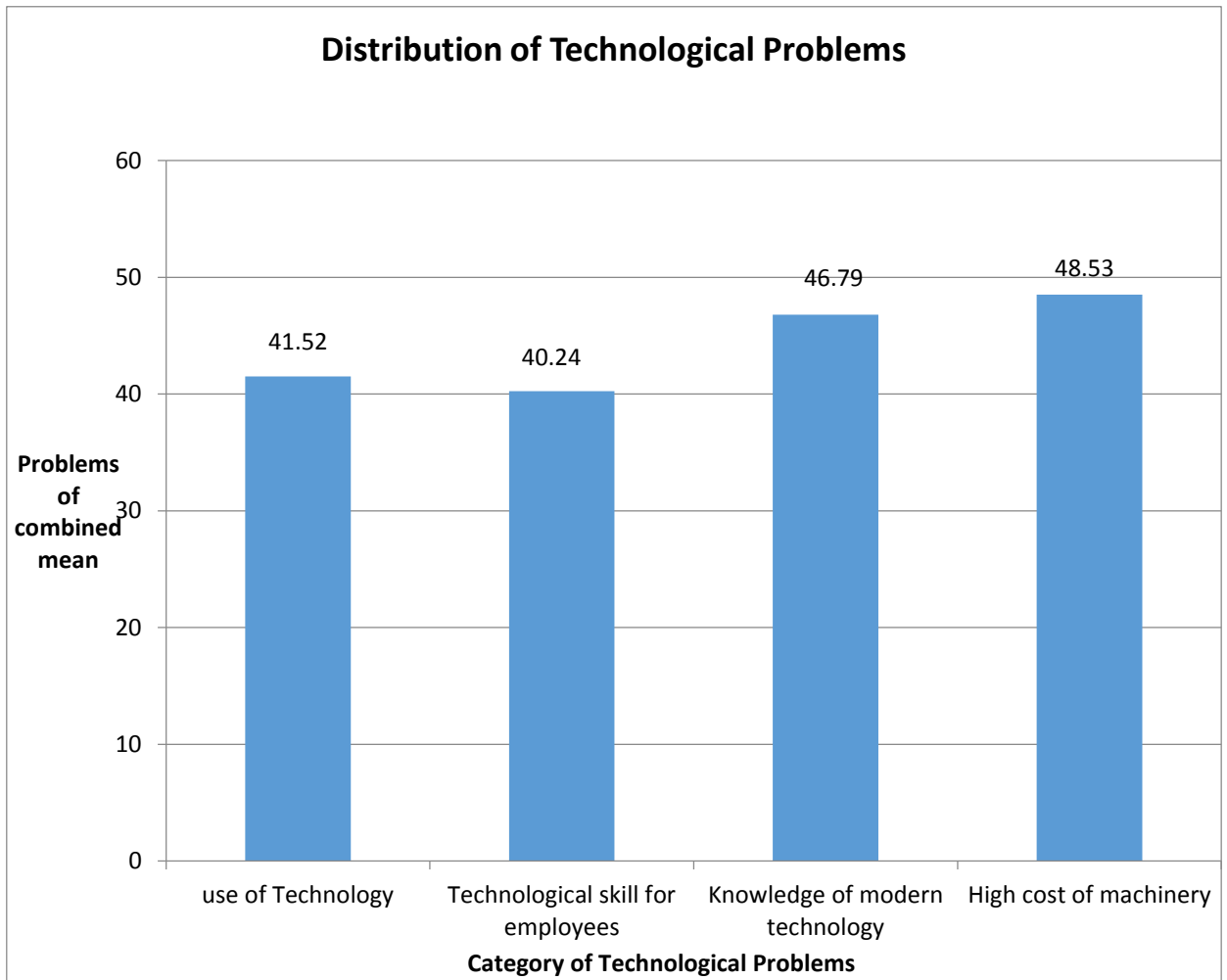
Sl number elements of Problems	Technological Problems	Rank:1 (Lowest Priority)	Rank:2 (Moderate Priority)	Rank:3 (Highest Priority)	Combined Mean
1	Lack of use of Technology	17	19	54	41.52
2	Lack of Technological skill for employees	11	30	49	40.24
3	Knowledge of modern technology	08	18	64	46.79
4	High cost of technological equipment/machinery	04	19	67	48.53

Source: Compiled from field survey and questionnaires.

N.B: Averages of (Rank 1= 10, Rank 2 = 21.5, Rank 3 =58.5)

The following figure represents technological problems faced by the selected industry under study.

Figure: 6.6



In the light of the table no: 6.6, it can prove that among technological problems, high cost of technological equipment is found to be major problems because it carries the highest combine mean, i.e., 48.53, whereas, lack of technological skill among employees is found to be fewer problems because it carries the lowest combine mean, i.e., 40.24 among all the categories of technological problems.

6.4.7 Government Support Related Problems

To run the business the government support is very much important. But in the field survey, it is detected that many of the respondents face the problems of government support in various dimensions. Hence a good governance system is very much essential for the industrialization of the region. To analyze the effect of

government support related problems opinions are collected from the 90 number of proprietors of the selected industry which is represented in the following table.

Table No. 6.7

Priority wise distribution of opinion of respondents on Government Support Related problems

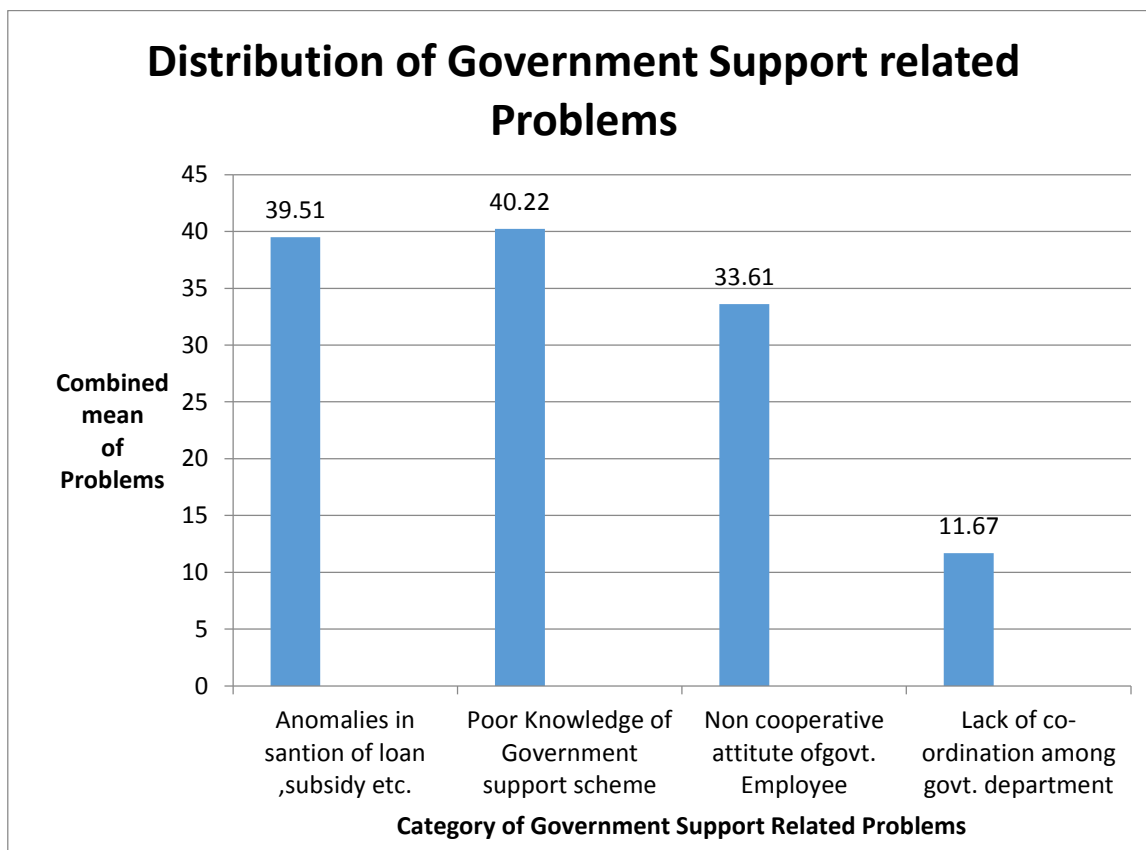
Sl number elements of Problems	Government Support related Problems	Rank:1 (Lowest Priority)	Rank:2 (Moderate Priority)	Rank:3 (Highest Priority)	Combined Mean
1	Anomalies in sanction of loan/subsidy/incentives	11	20	59	39.51
2	Poor knowledge of government support scheme	16	13	61	40.22
3	Non-co-operative attitude of Government employee	24	25	41	33.61
4	Lack of co-ordination among different government department	31	21	38	11.67

Source: *Compiled from field survey and questionnaires.*

N.B: Averages of (Rank 1= 20.5, Rank 2 = 19.75, Rank 3 =49.75)

The following figure represents government support related problems faced by the selected industry under study.

Figure: 6.7



The table no: 6.7, represents the distribution of government support related problems faced by the selected industry. Out of the various categories of problems, it is found that poor knowledge of government support scheme is the main problems among all the categories of Government support related problems because it carries the highest combine mean, i.e., 40.22. On the other hand, lack of coordination among different government department is found to be the lowest problems under this category because it carries the lowest combine mean, i.e., 11.67.

6.4.8 Other Problems

After throughout the observation into various problems of the selected industries it is seen that in addition to existing seven problems as explain above, there are some other problems also are from the industries have been suffering a lot of problems. So, under

the category of other problem basically, four problems are taken to be studied which are natural calamity, frequent bandh, lack of research & development and competition with multinational as well as national companies.

Table No. 6.8

Priority wise distribution of opinion of respondents on other problems

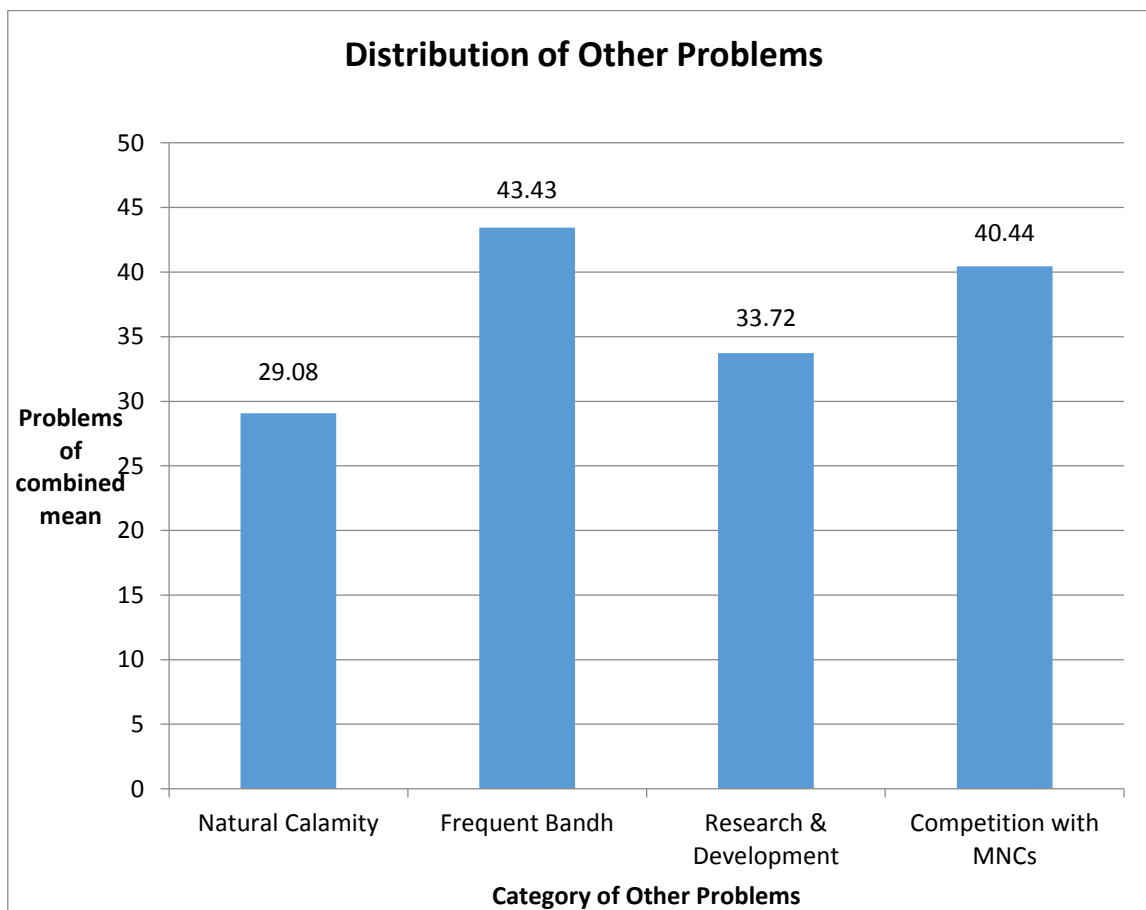
Sl number elements of other problems	Other Problems	Rank :1 (Lowest Priority)	Rank :2 (Moderate Priority)	Rank :3 (Highest Priority)	Combined Mean
1	Natural Calamity	38	23	29	29.08
2	Frequent Bandh	03	21	66	43.43
3	Research and Development	14	24	52	33.72
4	Competition with reputed company/ MNCs	09	23	58	40.44

Source: Compiled from field survey and questionnaires.

N.B: Averages of (Rank 1= 16, Rank 2 = 22.75, Rank 3 = 51.25)

The following figure represents other problems faced by the selected industry under study.

Figure: 6.8



In light of the table no: 6.8, it can be proved that amongst the three problems under the category of other problems, the effect of frequent bandh emerged highest troubles as because it carried highest combined mean, i.e., 43.43, whereas, the effect of natural calamities is less as it is bearing lowest combined mean, i.e., 29.08 than that of the remaining three problems.

6.5 Overall Analysis of Problematic Dimensions of Selected Industries of Kokrajhar District

In this part of the chapter, taking the average weight of all elements of the above problems (Table no: 6.1 to 6.8) in a single average is calculated for every problem. So

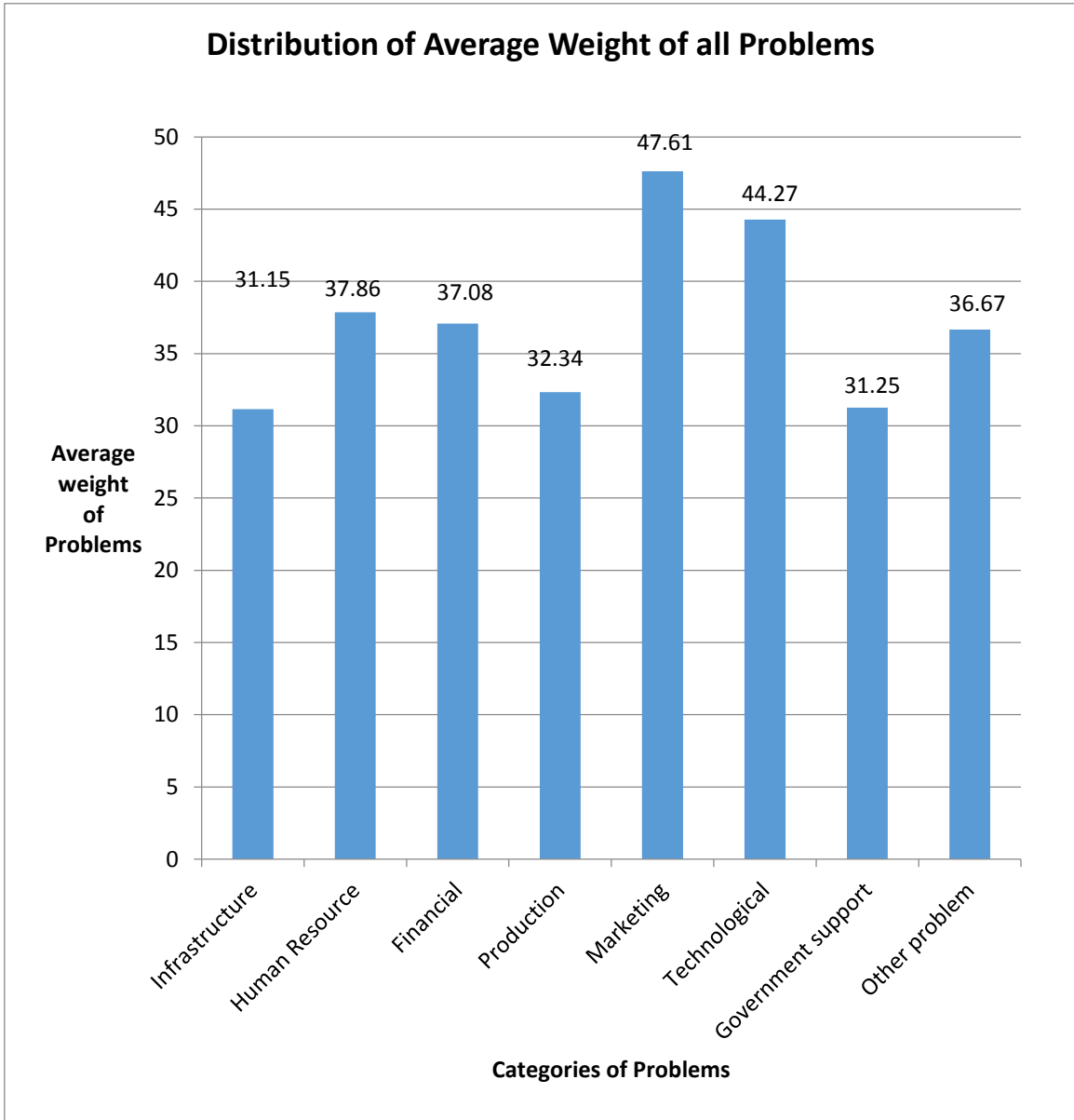
that all problems can be justified in the light of single average weight as depicted in the table no. 6.9.

Table No. 6. 9
Average weight of all categories of problems

Categories of Problems and weighted mean of problems element-wise	Element :1	Element : 2	Element :3	Element : 4	Element : 5	Average Weight of Problems
Infrastructure problems	31.05	31.74	31.93	31.12	29.90	31.15
Human Resource skill problems	41.74	36.62	35.22	-	-	37.86
Financial problems	36.30	34.87	40.07	-	-	37.08
Production problems	30.37	31.85	43.81	-	-	32.34
Marketing problem	42.07	53.77	46.38	48.22	-	47.61
Technological Problems	41.52	40.24	46.79	48.53	-	44.27
Government Initiative Problems	39.51	40.22	33.61	11.67	-	31.25
Other Problems	29.08	43.43	33.72	40.44	-	36.67

Source: Compiled from Table no: 6. 1 to Table no: 6. 8

Figure: 6.9



In the light of the table no; 6.9, it is reflected that there is the highest problem in the categories of marketing problem as compared to other problems as because it carries highest average value, i.e., 47.61. On the other hand, the infrastructure problem is found to be the lowest as compared to other problems as because it carries the lowest average value, i.e., 31.15.

6.6 Conclusion

On the basis of the analysis made throughout this chapter the hypothesis No: 03, i.e., it is assumed that the food processing industries of Kokrajhar district have been suffering multifarious problems is justified. Against advocating this test of justified hypothesis it is to be stated that average weight of various problems such as 31.15 of infrastructure problems, 37.86 of human resource problems, 37.08 of financial problems, 32.34 of production problems, 47.61 of marketing problems, 44.27 of technological problems, 31.25 of government support problems, 36.67 of other problems reflect that the selected industries are facing various problems. Business is a part of society. The Food Processing Industries under study are also not the exception. Hence, as a part of society, these industries have to change their all necessary policies and practices according to the changing environment of the society. In doing so along with the current customer taste, demand, fashion and design the selected industries should give special emphasis on changing policies of their business like national and internationally competitive business firm. Further, in order to capture the various benefits of government schemes, the owner and employers of these industries should be well educated and trained up. By adopting these kinds of steps, these industries can provide a lot of contribution for the overall socio-economic development of this society especially in providing quality goods, enhancing employability, increase per capita income as well as industrialization and entrepreneurial development which ultimately contribute towards the achieving inclusive growth of the region.

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