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MANAGEMENT REVIEW

Pest Analysis of Industrial Development in Satara District

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Abstract

It is observed that industrial development in Satara is at slow pace compared to adjoining district. Present article is an attempt to find out reasons behind the slow pace of industrial development. Study used descriptive research designed, inferred opinion on Political, Economic, Social and Technological variables (PEST) using likert scale. 123 samples include academicians, industrialists and other stakeholders of society were interviewed. Comprehensive analysis of entire 50 variables and PEST analysis have been presented. Study concludes that political will, non availability of mega project, lack of guidance on technology front to new entrepreneurs, are the prime causes of slow pace of industrial development. Samples opine that political change may speedy industrial development.

Key words: PEST Analysis, Satara, Industrial Development, Environment.

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Introduction

Industrial development is pivotal for not only economic development but also the development of society at large. Various factors contribute to the development of industry, few to quote, political, economic, social and technological. These factors are micro and macro environmental in nature. The environmental factors are dynamic and keep on changing and these changes have considerable impact on firm and industry. Present study is an attempt to study the problems and prospects of industrial development in Satara district on the magnitude of environmental factors.

A PEST analysis is an analysis of the external macro environment that affects industry. PEST is an acronym for the Political, Economic, Social and Technological factors of the external macro environment. Such external factors usually are beyond the industries control and sometimes present themselves as threats.

The political analysis consists of political stability, risk of military invasion, legal framework for contractual enforcement, intellectual property protection, trade and tariffs regulations, favoured trading partners, antitrust laws, pricing regulations, taxation system, wage legislations, and the like. The economic analysis consists of type of economic system, government intervention in the market economy, comparative advantages of host country, exchange rates, efficiency of financial markets, infrastructure quality, skill level of workforce, labour costs, business cycle stage, economic growth rate, discretionary income, unemployment rate, inflation rate, interest rates and

the like. The social analysis consists of demographics, class structure, education, culture, entrepreneurial spirit, attitudes, leisure interests and the like. Technological analysis consists of recent technological developments, technology's impact on product offerings, impact on cost structure, impact on value chain structure, rate of technological diffusion and the like. The study may reveal strategy to improve industrialization, which may prove turnaround for the social and economic upliftment of masses.

The study is expected to facilitate guidelines to the political leaders and ministry of Industry; Government of Maharashtra on the magnitude of industrial development. The study may reveal in vertical and horizontal growth possibilities at the industry level.

Research Methodology

From the review of secondary data and opinions of academicians, industrialists and icons in society, Satara district and especially Satara city has feeble industrial development. The city lays at the middle of Pune and Kolhapur about 300 kilometers renowned cluster of machining and foundry units in India. Besides this, geographical advantage, few units from Satara have closed down and few have shifted to other locations. Researchers thirst is to find out problems of industrial development.

The prime objective of the research is to analyze the industrial development in Satara district by using PEST analysis.

Research is undertaken in Satara city selecting political, social and academic stalwarts who have been interviewed. The required data is collected through secondary and primary sources. Opinions of industrialists, academicians and members of society have been assessed through structured codified schedule. The schedule consists of 50 statements depicting PEST analysis. Likert scale is used to seek the opinions on these 50 statements.

The opinions on extent of agreement with the statement and the extent of its impact were obtained. 123 samples from academician, industrialist and society were interviewed to collect desired primary data. Data is analyzed using mean, weighted average, rank and standard deviation.

Data Analysis and Discussion

Since the instrument for data collection is developed by researcher, reliability of instrument is tested using Cronbach's Alpha. The reliability of 50 statements on agree and affected is independently calculated as follows.

Table 1: Statements seeking extent of agreement with 50 statements

Reliability Statistics		
Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
0.639	0.649	50

The reliability Cronbach's Alpha is 0.639, which is reasonably good.

Table 2: Statements seeking extent of impact with 50 statements

Reliability Statistics		
Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
0.778	0.800	50

The reliability Cronbach's Alpha is 0.788 which is reasonably good.

Since the reliability is good for both the structures for 50 items the scales are kept as it is for final data collection.

Description of extent of agreement on PEST variables.

Following are fifty variables describing PEST parameters. The samples have recorded their perception on the scale for their agreement and disagreement. Mean scores of opinions and standard deviations is calculated. Rank on mean score is calculated.

Table 3

Sr.	Parameter	Mean	Rank	S. D.
1	Politicians are willing to support industrialization.	2.56	44	1.62
2	Politicians are willing to develop industry	2.55	45	1.73
3	Political rivalry hinders industrial development.	2.99	38	1.33
4	Transformation in political power may lead to industrial development.	3.49	22	1.35
5	Political support is lacking for industrial development	3.07	36	1.57
6	Politicians should themselves initiate entrepreneurship.	2.53	46	1.54
7	People lack entrepreneurship skills in Satara city and vicinity	3.06	37	1.44
8	Political change may Phillip industrialization	3.75	11	1.42
9	Maharashtra Government's taxation policy is competitive in India	3.60	17	1.29
10	Unavailability of Mega Projects hinders industrialization	4.11	3	1.22
11	Beauracracy hinders industrialization	3.54	18	1.10
12	Process of licensing to start unit is easy in Maharashtra.	2.46	47	1.28
13	Satara is on national highway no. 04 it is advantageous for Industrial Development	4.50	1	1.01
14	Proximity to Kolhapur and Pune, the developed industrial estates is advantageous for Industrial Development.	3.67	13	1.38
15	Satara is Popular Due Hill Stations and Holy Places.	3.62	14	1.42
16	Majority of agri output is processed in Agro processing units in Satara	3.50	20	1.13
17	Sufficient industrial raw material is available in Satara and vicinity	2.79	42	1.44
18	Sufficient agricultural raw material is available in Satara and vicinity	3.83	8	1.22
19	Lack of road transportation facility hinders Industrial Development	3.46	25	1.48
20	Lack of rail transportation facility hinders Industrial Development	3.49	22	1.50
21	Non Availability of Airport Hinders Industrialization	3.28	31	1.48
22	Sufficient land is available for industrialization in Satara	3.41	28	1.34
23	Cost of land for industrialization is competitive	3.47	24	1.26
24	Sufficient land is not available in Satara city but available in vicinity of Satara	3.45	26	1.34
25	Electricity is Available In Sufficient Quantity.	3.27	32	1.46
26	Attracting industrialist to establish units in Satara is necessary	3.95	5	1.30
27	SEZ should be introduced in Satara to foster industrialization.	3.39	29	1.25
28	Water sources are ample for industry in Satara.	3.76	10	1.26
29	Electrical rates/charges are affordable to industry	3.17	33	1.24
30	Regular power supply exists for industry in Satara	3.33	30	1.17
31	Earthquake prone area hinders industrialization	1.99	50	1.31
32	City lacking recreational facilities required by industry	3.12	35	1.12
33	Young educated people are fascinated towards Pune and elsewhere for jobs.	4.39	2	0.96
34	Entrepreneurs are fascinated towards Pune for establishing enterprises	3.61	16	1.32
35	Society is inefficient in industrial development at Satara	2.95	39	1.24
36	City is popularly known as retirement peoples' city.	3.62	14	1.31
37	Sufficient skilled labour is available in Satara and vicinity	3.76	9	1.27
38	Migration of skilled labour hinders industrialization	3.87	7	1.14

Sr.	Parameter	Mean	Rank	S. D.
39	No dearth of entrepreneurial skills here	3.14	34	1.20
40	Employee has got job security in local industry	2.93	40	1.40
41	Society's inability to follow up of politicians for industrialization	3.50	19	1.22
42	Sufficient monetary benefits are given to employees.	2.80	41	1.27
43	Sufficient employment opportunities are existed in industry.	3.45	26	1.14
44	Sufficient entrepreneurship opportunities are availability.	3.50	20	1.15
45	Social committee should be formed to change industrialization	3.94	6	1.27
46	World class Technology is available here.	2.61	43	1.41
47	Industry is lacking in technological advancement as compared to other industrial developed locations.	3.68	12	1.42
48	Technological Centers Are Available To Quench Thirst Of Induastry	2.37	49	1.29
49	Technical Consultancy Service Are Available	2.46	47	1.43
50	Lack Of Guidance To New Entrepreneurs Hinders Industrial Development In Satara.	4.03	4	1.30

(Source: Primary Data)

Table 3 reveals that Satara is located on national highway No. 04 which is advantages for Industrial Development carries 1st Rank with 4.50 Mean Score. Young educated people are fascinated towards Pune for a job carries 4.39 mean score and carries 2nd weighted average. Unavailability of Mega Projects hinders industrialization carries 33.73 weighted average and carries 3rd rank. Lack of guidance to new entrepreneurs hinders industrial development in Satara carries 4th rank attracting industrialist to establish units in Satara is necessary carries 5th rank.

Due to earthquake prone area hinders industrialization carries 50th rank it carries 1.31mean score. Technological shops are available to quench thirst of industry carries 49th rank. Process of licensing to start unit is easy in Maharashtra and Technological consultants are existed carries 47th rank it carries 2.46 mean score. Politicians should themselves initiate entrepreneurship carries 46th rank.

Following is the analysis of variables as per PEST. The 50 variables are grouped for analysis to have a micro perspective.

Table 4: Samples perceptual agreement on political factors and its impact on industrial development.

Sr.	Parameter	Mean	Rank	S. D.
1	Politicians are willing to support industrialization.	2.56	6	1.62
2	Politicians are willing to develop industry	2.55	7	1.73
3	Political rivalry hinders industrial development.	2.99	5	1.33
4	Transformation in political power may leads to industrial development.	3.49	2	1.35
5	Political support is lacking for industrial development	3.07	3	1.57
6	Politicians should themselves initiate entrepreneurship.	2.53	8	1.54
7	People lack entrepreneurship skills in Satara and vicinity	3.06	4	1.44
8	Political change may Phillip industrialization	3.75	1	1.42

(Source: Primary Data)

It reveals from table 4 that among political factor the factor change in political scenario may leads to development of industrialization has got more mean score and carries rank 1. The second factor carries weight is transformation in political power carries second rank. These two factors goes hand in hand depicts that the industrial development is related with change in political scenario at Satara. The factor ranked 7th i.e. last in political factors is politicians are willing to develop the industry. The mean score of this factor is 2.55 which is below the average narrates that the Politian's are not willing to develop the industry at Satara.

Table 5: Samples perceptual agreement on environmental factors and its impact on industrial development.

Sr.	Parameter	Mean	Rank	S. D.
1	Maharashtra Government's taxation policy is competitive in India	3.60	8	1.29
2	Unavailability of Mega Projects hinders industrialization	4.11	2	1.22
3	Beauracracy hinders industrialization	3.54	9	1.10
4	Process of licensing to start unit is easy in Maharashtra.	2.46	23	1.28
5	Satara is on national highway no. 04 it is advantages for Industrial Development	4.50	1	1.01
6	Proximity to Kolhapur and Pune the developed industrial estates is advantages for Industrial Development.	3.67	6	1.38
7	Satara is Popular Due Hill Stations and Holy Places.	3.62	7	1.42
8	Majority of agri output is processed in Agro processed units in Satara	3.50	10	1.13
9	Sufficient industrial raw material is available in Satara and vicinity	2.79	22	1.44
10	Sufficient agricultural raw material is available in Satara and vicinity	3.83	4	1.22
11	Lack of road transportation facility hinders Industrial Development	3.46	13	1.48
12	Lack of rail transportation facility hinders Industrial Development	3.49	11	1.50
13	Non Availability of Airport Hinders Industrialization	3.28	18	1.48
14	Sufficient land is available for industrialization in Satara	3.41	15	1.34
15	Cost of land for industrialization is competitive	3.47	12	1.26
16	Sufficient land is not available in Satara but available in vicinity of Satara	3.45	14	1.34
17	Electricity is Available In Sufficient Quantity.	3.27	19	1.46
18	Attracting industrialist to establish units in Satara is necessary	3.95	3	1.30
19	SEZ should be introduced in Satara to foster industrialization.	3.39	16	1.25
20	Water sources are ample for industry in Satara.	3.76	5	1.26
21	Electrical charges are affordable to industry	3.17	20	1.24
22	Regular power supply is existed to industry in Satara	3.33	17	1.17
23	Due to earthquake prone area hinders industrialization	1.99	24	1.31
24	City lacking recreational facilities required by industry	3.12	21	1.12
	S. D.			

(Source: Primary Data)

Tables 5 reveals that among environmental factor, Satara situated on national highway No.4 carry high mean score and 1 rank. Earthquake prone area hinders industrialization has been disagreed and carries 24 rank and mean score 1.99.

Unavailability of mega projects with mean score 4.11 and attracting industrialist to establish units in Satara with mean score 3.95 carries rank 2nd and 3rd respectively. These two factors may provide momentum to start the industrialization in the region.

The region is with sufficient agricultural raw material and water sources are available in ample quantity has mean score 3.83 and 3.76 carries 4th and 5th rank respectively.

It seems that on the magnitude of environmental factors the situation is hopeful for industrial development provided the commencement of mega project in the region.

Table 6:Samples perceptual agreement on social factors and its impact on industrial development.

Sr.	Parameter	Mean	Rank	S. D.
1	Young educated people are fascinated towards Pune for jobs.	4.39	1	0.96
2	Entrepreneurs are fascinated towards Pune for establishing enterprises	3.61	6	1.32
3	Society is not interested in industrial development at Satara	2.95	11	1.24
4	City is popularly known as retirement peoples' city.	3.62	5	1.31
5	Sufficient skilled labour is available in Satara and vicinity	3.76	4	1.27
6	Migration of skilled labour hinders industrialization	3.87	3	1.14
7	Sufficient entrepreneurship skills are existed	3.14	10	1.20
8	Employee has got job security in local industry	2.93	12	1.40
9	Society lacking in follow up of politicians for industrialization	3.50	7	1.22
10	Sufficient monetary benefits are given to employees.	2.80	13	1.27
11	Sufficient employment opportunities are existed in industry.	3.45	9	1.14
12	Sufficient entrepreneurship opportunities are existed	3.50	8	1.15
13	Social committee should be form to change industrialization	3.94	2	1.27

(Source: Primary Data)

It reveals from table 6 that among social factor the factor change in social scenario may leads Young educated people are fascinated towards Pune for jobs has got high mean score and carries rank 1. The second factor carries weight Social committee should be form to change industrialization carries second rank. These two factors goes hand in hand depicts that the industrial development is related with change in social scenario at Satara. The factor ranked 13th i.e. last in social factors is Sufficient

employment opportunities are existed in industry. The mean score of this factor is 2.80 which is below the average narrates that the social are not willing to develop the industry at Satara.

Besides availability of skill labour in the region, migration of educated people and skilled labour is the major cause of slow industrialization in the region owing to social factors.

Table 7: Samples perceptual agreement on technological factors and its impact on industrial development.

Sr.	Parameter	Mean	Rank	S.D.
1	Technology is available of international quality	2.61	3	1.41
2	Industry is lacking in technological advancement as compare to other industrial developed locations.	3.68	2	1.42
3	Technological Shops Are Available To Quench Thirst Of Industry	2.37	5	1.29
4	Technological Consultants Are Existed	2.46	4	1.43
5	Lack Of Guidance To New Entrepreneurs Hinders Industrial Development In Satara.	4.03	1	1.30
	S.D.			

(Source: Primary Data)

It reveals from table 7 that among Technological factor the factor change in technological scenario may leads Lack of guidance to new entrepreneurs hinders industrial development in Satara has got high mean score and carries rank 1. The second factor carries considerable weight that Industry is lacking in technological advancement as compare to other industrial developed locations carries second rank. These two factors goes hand in hand depicts that the industrial development is related with change in technological scenario at Satara.

The factor ranked 5th i.e. last in technological factors is sufficient employment opportunities are existed in industry. The mean score of this factor is 2.37 which is below the average narrates that the technological factors are deficient to develop the industry at Satara.

Following are fifty variables describe PEST parameters. The samples have recorded their perception on parameter is Affected or Unaffected on industrial development.

Table 8:Description of extent of Affected on PEST variables.

Sr.	Parameter	Mean	Rank	SD
1	Politicians are willing to support industrialization.	4.13	6	1.14
2	Politicians are willing to develop industry	4.23	4	1.06
3	Political rivalry hinders industrial development.	3.82	19	0.96
4	Transformation in political power may leads to industrial development.	3.79	24	1.14
5	Political support is lacking for industrial development	4.11	8	1.02
6	Politicians should themselves initiate entrepreneurship.	4.01	10	1.22
7	People lack entrepreneurship skills in Satara and vicinity	3.93	14	1.01
8	Political change may Phillip industrialization	3.98	12	1.24
9	Maharashtra Government's taxation policy is competitive in India	3.82	19	1.03
10	Unavailability of Mega Projects hinders industrialization	4.26	3	1.01
11	Beauracracy hinders industrialization	3.72	28	0.96
12	Process of licensing to start unit is easy in Maharashtra.	3.80	23	0.94
13	Satara is on national highway no. 04 it is advantages for Industrial Development	4.43	1	1.04
14	Proximity to Kolhapur and Pune the developed industrial estates is advantages for Industrial Development.	3.72	28	1.15
15	Satara is Popular Due Hill Stations and Holy Places.	3.85	18	1.12

Sr.	Parameter	Mean	Rank	SD
16	Majority of agri output is processed in Agro processed units in Satara	3.68	33	1.03
17	Sufficient industrial raw material is available in Satara and vicinity	3.77	25	1.15
18	Sufficient agricultural raw material is available in Satara and vicinity	3.70	32	1.22
19	Lack of road transportation facility hinders Industrial Development	3.94	13	1.13
20	Lack of rail transportation facility hinders Industrial Development	3.99	11	1.18
21	Non Availability of Airport Hinders Industrialization	3.67	34	1.28
22	Sufficient land is available for industrialization in Satara	3.72	28	1.06
23	Cost of land for industrialization is competitive	3.75	26	1.11
24	Sufficient land is not available in Satara but available in vicinity of Satara	3.67	34	1.14
25	Electricity is Available In Sufficient Quantity.	4.07	9	1.24
26	Attracting industrialist to establish units in Satara is necessary	3.89	17	1.07
27	SEZ should be introduced in Satara to foster industrialization.	3.61	39	1.12
28	Water sources are ample for industry in Satara.	3.92	16	1.23
29	Electrical charges are affordable to industry	3.62	38	1.13
30	Regular power supply is existed to industry in Satara	3.75	26	1.04
31	Due to earthquake prone area hinders industrialization	2.20	50	1.37
32	City lacking recreational facilities required by industry	3.25	47	1.03
33	Young educated people are fascinated towards Pune for jobs.	4.12	7	1.08
34	Entrepreneurs are fascinated towards Pune for establishing enterprises	3.54	42	1.26
35	Society is not interested in industrial development at Satara	3.15	48	1.17
36	City is popularly known as retirement peoples' city.	3.02	49	1.36
37	Sufficient skilled labour is available in Satara and vicinity	3.67	34	1.30
38	Migration of skilled labour hinders industrialization	3.67	37	1.26
39	Sufficient entrepreneurship skills are existed	3.71	31	1.07
40	Employee has got job security in local industry	3.44	44	1.20
41	Society lacking in follow up of politicians for industrialization	3.81	21	1.03
42	Sufficient monetary benefits are given to employees.	3.61	39	1.05
43	Sufficient employment opportunities are existed in industry.	3.50	43	1.04
44	Sufficient entrepreneurship opportunities are existed	3.81	21	1.08
45	Social committee should be form to change industrialization	3.93	14	1.14
46	Technology is available of international quality	3.55	41	1.35
47	Industry is lacking in technological advancement as compare to other industrial developed locations.	4.18	5	1.04
48	Technological Shops Are Available To Quench Thirst Of Industry	3.44	44	1.40
49	Technological Consultants Are Existed	3.38	46	1.39
50	Lack Of Guidance To New Entrepreneurs Hinders Industrial Development In Satara.	4.32	2	1.03

(Source: Primary Data)

Table 8 reveals that Satara is on national highway no. 04 it is advantages for Industrial Development carries 1 Rank it carries 4.43 mean score. Lack of guidance to new entrepreneurs hinders industrial development in Satara carries 4.32 mean score and carries 2nd weighted average. Unavailability of Mega Projects hinders industrialization carries 4.26 mean score and carries 3rd rank. Politicians are willing to develop industry carries 4th rank. Industry is lacking in technological advancement as compare to other industrial developed locations carries 5th rank.

Due to earthquake prone area hinders industrialization carries 50th rank its mean score is 2.20. The City is popularly known as retirement peoples' city carries 49th rank.

Society is not interested in industrial development at Satara carries 48th rank it carries 3.15 mean score. City lacking recreational facilities required by industry it carries 47th rank. Technological consultants are existed carries 46th rank.

Table 9: Samples perception about impact of Political Factors on industrial development.

Sr.	Parameter	Mean	Rank	S. D.
1	Politicians are willing to support industrialization.	4.13	2	1.14
2	Politicians are willing to develop industry	4.23	1	1.06
3	Political rivalry hinders industrial development.	3.82	7	0.96
4	Transformation in political power may leads to industrial development.	3.79	8	1.14
5	Political support is lacking for industrial development	4.11	3	1.02
6	Politicians should themselves initiate entrepreneurship.	4.01	4	1.22
7	People lack entrepreneurship skills in Satara and vicinity	3.93	6	1.01
8	Political change may Phillip industrialization	3.98	5	1.24

(Source: Primary Data)

Table 9 reveals that Politicians are willing to develop industry carries 1 Rank it carries 4.13 mean score. Politicians are willing to support industrialization caries 2nd rank. Transformation in political power may leads to industrial development carries 8th rank it carries 3.79 mean score.

In nutshell politicians have major impact on the development of industrialization in the region. The mean score for the variables range from 3.79 to 4.23 which is very much considerable.

Table 10: Samples perception about impact of Environmental Factors on industrial development.

Sr.	Parameter	Mean	Rank	S. D.
1	Maharashtra Government's taxation policy is competitive in India	3.82	9	1.03
2	Unavailability of Mega Projects hinders industrialization	4.26	2	1.01
3	Beauracracy hinders industrialization	3.72	14	0.96
4	Process of licensing to start unit is easy in Maharashtra.	3.80	10	0.94
5	Satara is on national highway no. 04 it is advantages for Industrial Development	4.43	1	1.04
6	Proximity to Kolhapur and Pune the developed industrial estates is advantages for Industrial Development.	3.72	14	1.15

Sr.	Parameter	Mean	Rank	S. D.
7	Satara is Popular Due Hill Stations and Holy Places.	3.85	8	1.12
8	Majority of agri output is processed in Agro processed units in Satara	3.68	18	1.03
9	Sufficient industrial raw material is available in Satara and vicinity	3.77	11	1.15
10	Sufficient agricultural raw material is available in Satara and vicinity	3.70	17	1.22
11	Lack of road transportation facility hinders Industrial Development	3.94	5	1.13
12	Lack of rail transportation facility hinders Industrial Development	3.99	4	1.18
13	Non Availability of Airport Hinders Industrialization	3.67	19	1.28
14	Sufficient land is available for industrialization in Satara	3.72	14	1.06
15	Cost of land for industrialization is competitive	3.75	12	1.11
16	Sufficient land is not available in Satara but available in vicinity of Satara	3.67	19	1.14
17	Electricity is Available In Sufficient Quantity.	4.07	3	1.24
18	Attracting industrialist to establish units in Satara is necessary	3.89	7	1.07
19	SEZ should be introduced in Satara to foster industrialization.	3.61	22	1.12
20	Water sources are ample for industry in Satara.	3.92	6	1.23
21	Electrical charges are affordable to industry	3.62	21	1.13
22	Regular power supply is existed to industry in Satara	3.75	12	1.04
23	Due to earthquake prone area hinders industrialization	2.20	24	1.37
24	City lacking recreational facilities required by industry	3.25	23	1.03

(Source: Primary Data)

Unavailability of Mega Projects hinders industrialization carries 2nd rank. Due to earthquake prone area hinders industrialization carries 24th rank and it carries 2.20 mean score. City lacking recreational facilities required by industry carries 3.23 mean score and it carries 23rd rank.

Almost entire environmental factors are in favour of industrial development in the region.

Table 11 reveals that Young educated people are fascinated towards Pune for jobs carries 1 rank it carries 3.54 weighted average. Social committee should be form to change industrialization carries

Table 11: Samples perception about impact of Social factors on industrial development.

Sr.	Parameter	Mean	Rank	S.D.
1	Young educated people are fascinated towards Pune for jobs.	3.54	1	1.26
2	Entrepreneurs are fascinated towards Pune for establishing enterprises	3.15	9	1.17
3	Society is not interested in industrial development at Satara	3.02	12	1.36
4	City is popularly known as retirement peoples' city.	3.67	13	1.30

Sr.	Parameter	Mean	Rank	S.D.
5	Sufficient skilled labour is available in Satara and vicinity	3.67	6	1.26
6	Migration of skilled labour hinders industrialization	3.71	7	1.07
7	Sufficient entrepreneurship skills are existed	3.44	5	1.20
8	Employee has got job security in local industry	3.81	11	1.03
9	Society lacking in follow up of politicians for industrialization	3.61	3	1.05
10	Sufficient monetary benefits are given to employees.	3.50	8	1.04
11	Sufficient employment opportunities are existed in industry.	3.81	10	1.08
12	Sufficient entrepreneurship opportunities are existed	3.93	3	1.14
13	Social committee should be form to change industrialization	3.54	2	1.26

(Source: Primary Data)

2nd rank. City is popularly known as retirement peoples' city carries 13th rank it carries low mean score i.e. 3.67.

Social scenario for industrial development is lucrative since society wants industrial development and society percept that sufficient

carries high means score i.e. 4.32. Technological consultants are existed carries 5th rank it carries lowest means score i.e. 3.38.

Inferential Statistics
Correlation between agrees and affected
Spearman's rank correlation
Spearman's rank correlation is calculations of

Table 12: Samples perception about impact of Technological factors on industrial development.

Sr.	Parameter	Mean	Rank	S. D.
1	Technology is available of international quality	3.55	3	1.35
2	Industry is lacking in technological advancement as compare to other industrial developed locations.	4.18	2	1.04
3	Technological Shops Are Available To Quench Thirst Of Industry	3.44	4	1.40
4	Technological Consultants Are Existed	3.38	5	1.39
5	Lack Of Guidance To New Entrepreneurs Hinders Industrial Development In Satara.	4.32	1	1.03

(Source: Primary Data)

entrepreneur skills are existed and entrepreneurship opportunities are also existed. The skilled labour is also available in sufficient size.

Lack of guidance to new entrepreneurs hinders industrial development in satara carries 1 Rank it

samples respondents on agreeness of factors have impact on industrialization and the factors have extent of affect on industrialization.

The correlation is significant at the 0.05 level. The coefficient of correlation is 0.354 which is positive low.

Table 13:

Correlations

			Agree	Affected
Spearman's rho	Agree	Correlation Coefficient	1.000	.354*
		Sig. (2-tailed)	.	.012
		N	50	50
	Affected	Correlation Coefficient	.354*	1.000
		Sig. (2-tailed)	.012	.
		N	50	50

*. Correlation is significant at the 0.05 level (2-tailed).

Table 14 reveals that there is significant difference into the means of agree and affect. The correlation in the preceding table found to be low positive and

Table 14: Paired sample 't' test is applied to test the significance of difference of means.

Paired Samples Test

		Paired Differences					t	df	Sig. (2-tailed)
		Mean	Std. Deviation	Std. Error Mean	99% Confidence Interval of the Difference				
					Lower	Upper			
Pair 1	AgreeMean - AffectedMean	-.41760	.48616	.06875	-.60185	-.23335	-6.074	49	.000

the paired 't' test is significant implies that the perceptual opinion on factors agree with and factors affect of are significantly different.

Findings and Suggestion
Findings

1) Respondents has agreement on destination is advantage for Industrial Development on the magnitude of its location since Satara lies on National Highway No.4.

2) The basic reason behind under developed industrial sector in Satara is fascination of young educated people towards developed metros like Pune. This fascination is due to opportunity for exposures in metros to new avenues. Availability of Mega project could stop this migration of this young educated brigade which has rank 3rd importance parameter by Respondent.

3) Majority of the respondents disagree that perception of earth prone zone hinders Industrial Development since this variable has got last rank i.e. 50th with 1.99 mean value.

4) To view the reasons in the micro lenses researcher has classified the variables as per PEST following are the conclusion on the basis of PEST category.

   i) **Political Factor and Industrial Development:**

   It seems different of opinion among Respondents on the agreement of political factors and its impact on Industrial Development in Satara. It variable were coined defecting political factors and its relation with Industrial Development the opinion are taken on five point scale, where in Standard Deviation for opinion range from 1.33 to 1.73. This signified differential opinion. Majority of Respondent believe that Political change may Phillip industrialization, since Respondents believe that transformation in political power may also lead Industrial Development since it receive 2nd rank with 3.49 mean score. Political will and support is lacking for Industrial Development which has received 3rd rank with 3.07 mean. Respondents has doubts in mind regarding political will and has belief that politicians are not support industrialization since these variables has received 2.55 and 2.6 mean score.

ii) **Environmental Factor and Industrial Development:**

The major advantage is of location that Satara is on National Highway. Second is availability of natural resources since this variable receive mean score 3.83. Ample water supply these variable receive mean score 3.76 and Satara has proximity to developed industrial estate at Kolhapur and Pune. Since the variable receive mean score 3.67. The major environmental reason behind under Development in Industrial Estate of Satara is unavailability of Mega Project which have mean score 4.11.

iii) **Social factor and Industrial Development:**

In all 13 variables where executed to understand the relationship between social factor and Industrial Development. The important factor for under developed industrial area and Satara is young educated peoples towards Pune and such metros, since this variable has got mean score 4.39 with standard deviation 0.96. Second important reason is again related with migration of skilled labour to other industrial estate which has got mean score of 3.87. Years together Satara is popularly known a city of retirement people which has opined by Respondent of mean score 3.62. the society of Satara disapproves that Satara people is not interested in Industrial Development since this variable has got mean score 2.95 some other important social reason hinders Industrial Development in Satara are monitory benefits given to employee (Mean Score 2.80), Job Security in Local Industry (Mean Score 2.93).

iv) **Technological Factor and Industrial Development:**

To know the impact of Technology on Industrial Development five variables were executed in which the focused variable was lack of guidance on technological fronts to new entrepreneurs hinders Industrial Development. This variable carry mean score 4.03 Respondents believes that technology available in industrial estate and Satara is of not international quality since this variable carry mean score of 2.61.

5) In an effect to understand the perception of Respondents on the magnitudes of its impact or affect of PEST variables on Industrial Development.

6) The foremost important reason came across is lack of guidance to new entrepreneur which has received mean score of 4.32. Second important reason is unavailability of mega project received mean score of 4.26. Political factors seems matter on Industrial Development, since this factor of willingness to support industrialization and willing to development of industry carries 6th and 5th rank respectively with mean score 4.13 and 4.23. The least important factor are directed towards social disagreement i.e. Satara is earth quake prone area, perception about city i.e. retirement people city, perception about inherent of people of Satara in Industrial Development has got least score. The impacts classified as per PEST are as follows.

i. **Political Factor and Industrial Development:**

Political Factor and Industrial Development are related and to know the impacts of 8 variables were executed which almost given the same result which has for agreement earlier. Entire political variable has got greater impact according to Respondent since the lowest mean score is recorded as 3.79 and high mean score is 4.23. The major factor is political will to Development of Industry.

ii. **Environmental factor and Industrial Development:**

To know the Environmental factor and Industrial Development, 24 variables were executed the foremost important variable is the unavailability of Mega projects hinders industrialization in Satara, which carry 2nd rank with mean score 4.26. it has revealed by Respondents that availability of Raw material , Water is available in sufficient quantity.

iii. **Social Factor and Industrial Development:**

To know these impact 13 variables were executed out of which rank 1 has bagged in the fascination of young educated people towards Pune with mean Score of 3.54. The claim of researcher i.e. of city of retirement city and people of Satara doesn't prefer industrialization is rejected since this variable has got last rank.

iv. **Impact of Technology and Industrial Development:**

To know this impact five variable executed of which the most important variable is educating new entrepreneur on the basis of technology and second is lack of technological advancement in industrial estate.

To conclude on agreeness on variables and impact of these variable in Industrial Development. The Spearman rank correlation coefficient calculated to 0.354 which is positive low signifies positive low correlation.

7) The pair sample 't' test has been executed to see the moment in means which shows significant different into the opinion of Respondents with respect to same variables to agreement and impact.

Suggestion:

To improve the industrialization in Satara, Researcher proposes following suggestion on the basis conclusions drawn.

1. Political transformation may help to improve °industrialization in Satara. Political transformation in a since the changing attitude of political people towards Industrial Development, Political transformation in physical since may also lead to industrial development. It might be because physical political change may leads to change is attitude to industrial development.

2. Trained educated young man power use an important resource in Industrial Development which is now migration to other industry develop location, hence retention this young educated manpower should be thought of by attracting Mega projects in this location and making work environment lucrative.

3. Education for entrepreneurship development may be of great help especially education on latent technology is concern.

4. The location of Satara has different perception which might have impact on Industrial Development one is perception as retirement people city, perception as only tourist place and perception as people of Satara do not want Industrial Development these perception need to be change which may lead to attract entrepreneurs.

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A Case Study: How Will We Take Off?

Moid U. Ahmad[1]

Case Synopsis

The given case study is an attempt to understand and enable discussion on certain critical issues in the Indian aviation industry especially in the light of the current Kingfisher Airlines episode. The case looks from the perspective of Kingfisher Airlines and related operational issues apart from raising few industry issues. The data has been taken from the real sources but the characters and dramatic representation is fictional, the objective of which is to facilitate discussion and classroom learning.

"Every airline in India is in trouble and any airline that tells you it is doing fine and it is making money hand over fists ,I would not believe it"- Mr. Vijay Mallya, Promoter, Kingfisher Airlines (Source: Economic times, November 16, 2011, pg.4)

Many similar negative statements were being discussed in a core group meeting on Aviation organized by an industrial association. The meeting was called to discuss the depressing reports on the performance of a particular airline and the aviation industry in general. The representatives present in the meeting were from 16 different airlines (Annexure A) and particularly included airlines in the passenger segment.

Jack, a representative of the industry association, requested everyone to go through Table 1 and emphasized on the point that 11 airlines had a negative PAT and the maximum was for Kingfisher but the maximum debt, rent payments and interest

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payments were for Jet Airways. A media representative argued a point 'Perhaps in my view huge interest payments for Kingfisher is a reason for its huge losses'.

Jack then drew attention of all towards Table 2 and stated that maximum fluctuations in PAT were for 'Kingfisher' and minimum lease payments and interest paid is for 'Swajas'. He also made a point that 'low standard deviation with high average for a negative factor' is not advisable". One airline exclaimed 'This is a very interesting Statement'.

The kingfisher representative made the following statements in order to justify the losses of the company and their intention to improve in future:
1. Rs.2500 crore is the immediate capital requirement.
2. Rs. 1100 crore (approx.) is expected to be raised through GDR issue.
3. They had 18.8% domestic market share in August,2011.
4. High interest and fuel cost are affecting the operations negatively.
5. Debt restructuring can be taken as option.

A representative raised a question to Kingfisher that whether promoters holding could be diluted as an option to raise money? Also he compared the performance of two major players in the Indian market and emphasized on the figures in Table 3. He replied that apart from firm specific factors there are certain issues which are common to all airlines such rising fuel prices and increasing interest rates. He emphasized that we should provide a congenial business working environment for airline industry and then should focus on

Table 1: Average figures for the time period 2001-2011(Rs. Million)

Sr. No.	Airline Company	PAT	Borrowings	Lease and rent	Interest paid
1	Air India	73.67	31861.63	523.10	1250.67
2	Air-India Charters	-505.02	24700.30	19.38	1007.40
3	Airtravel Enterprises	11.13	193.44	5.53	14.91
4	Asia Aviation Ltd.	-8.79	60.16	2.19	4.91
5	Blue Dart Aviation Ltd.	6.36	676.83	100.53	52.32
6	Indian Airlines	-393.00	9486.47	227.22	838.02
7	Jagson Airlines Ltd.	-24.97	144.37	4.64	5.92
8	Jet Airways (India) Ltd.	-21.07	75053.22	1826.01	3568.51
9	Jet Lite (India) Ltd.	-1986.68	9231.04	536.01	510.21
10	Kingfisher Airlines Ltd.	-3900.92	21232.24	261.81	2658.79
11	Pawan Hans Helicopters	339.51	3262.07	27.36	116.90
12	Religare Aviation Ltd.	-118.02	1522.89	6.21	145.28
13	Skyline Nepc Ltd.	-8.70	157.85	--	4.80
14	Spicejet Ltd.	-332.78	2406.11	54.04	43.58
15	Swajas Air Charters Ltd.	5.05	8.30	2.05	0.95
16	Vayudoot Ltd.	-2.73	780.91	0.10	0.10

Source: Author compilation
Here, PAT is Profit After Tax

Table 2: Standard Deviation of four parameters for the time period 2001-2011(Rs. Million)

Sr. No.	Airline Company	PAT	Borrowings	Lease and rent	Interest paid
1	Air India	1983.38	21595.15	258.78	906.85
2	Air-India Charters	1508.72	14280.04	19.57	870.24
3	Airtravel Enterprises	4.88	93.65	2.27	8.93
4	Asia Aviation Ltd.	28.07	50.06	56.87	3.53
5	Blue Dart Aviation Ltd.	5.31	546.52	36.38	36.00
6	Indian Airlines	1443.93	4938.51	110.57	505.01
7	Jagson Airlines Ltd.	35.41	157.10	1345.34	8.24
8	Jet Airways (India) Ltd.	2967.53	53374.89	1284.55	3942.46
9	Jet Lite (India) Ltd.	3105.36	4984.11	427.96	126.79
10	Kingfisher Airlines Ltd.	6646.09	31219.22	309.04	4394.28
11	Pawan Hans Helicopters	168.14	226.96	12.81	NA
12	Religare Aviation Ltd.	268.51	2521.28	6.59	129.08
13	Skyline Nepc Ltd.	4.12	2.68	76.65	0.00
14	Spicejet Ltd.	1184.38	2156.95	72.23	40.24
15	Swajas Air Charters Ltd.	3.04	NA	1.58	1.20
16	Vayudoot Ltd.	7.76	209.58	232.94	NA

Source: Author compilation
NA: Cannot be calculated

operational issues at firm level. He also quoted a statement from Mr. Mallya "We are in a holding pattern right now and waiting for various decisions from the government and our consortium of bankers on FDI (foreign direct investment) policy and working capital funding"

One of the delegates tries to bring attention to one report as quoted by a newspaper.

"Vijay Mallya is considering the sale of a portion of his stake in the flagship liquor business as Kingfisher Airlines' cash crunch continues to worsen and banks refuse to lend more money without equity support from the promoter. People close to Mallya told ET that talks have begun with Heineken to sell a portion of the 40.57% stake owned by United Breweries Holdings, the main promoter company in United Breweries, the makers of Kingfisher. Heineken owns 37%, and could become the majority owner if the transaction fructifies. Mallya is also open to the idea of selling a small stake in United Spirits, the makers of McDowell whisky. The promoters own about 28.01% in the company, but a massive chunk, about 91.45%, is pledged with financial institutions and banks..."(Source: Economic Times Bureau, March 29,2012)

The chairperson of the meeting was very apprehensive about the future of the industry and particularly concerned on two issues:
1. How to make the aviation industry more attractive and growth oriented?
2. Is there a problem of investment and will FDI in the industry help solve the current problems?

Finally the delegates decided to form a task force which would work upon a working paper on policy reforms to submit it to the government and the meeting was concluded.

References and Bibliography: The data used in the case (author compilation) has been taken primarily from 'Prowess', the database of CMIE and other published records from media which has been cited wherever used.

Table 3: PAT figures (Rs. Million)

Sr. No.	Year	Jet Airways	Kingfisher Airlines
1	Mar-01	124.8	7.2
2	Mar-02	-119.7	9.1
3	Mar-03	-2442.8	6.2
4	Mar-04	1631.1	5.6
5	Mar-05	3919.9	-195.3
6	Mar-06	4520.4	-3405.5
7	Mar-07	279.4	-4195.8
8	Mar-08	-2530.6	-1881.4
9	Mar-09	-4023.4	-16088.3
10	Mar-10	-4676.4	-17444.9
11	Mar-11	96.9	-10274

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Annexure A: List of Airlines attending the said meeting

Sr. No.	Airlines
1	Air India Ltd. [Merged]
2	Air-India Charters Ltd.
3	Air travel Enterprises India Ltd.
4	Asia Aviation Ltd.
5	Blue Dart Aviation Ltd.
6	Indian Airlines Ltd. [Merged]
7	Jagson Airlines Ltd.
8	Jet Airways (India) Ltd.
9	Jet Lite (India) Ltd.
10	Kingfisher Airlines Ltd.
11	Pawan Hans Helicopters Ltd.
12	Religare Aviation Ltd.
13	Skyline Nepc Ltd.
14	Spicejet Ltd.
15	Swajas Air Charters Ltd.
16	Vayudoot Ltd.

Source: Author compilation