



## Small and Medium Enterprises SMEs Role in Creating Employment opportunities in Pakistan:

### A case Study of Sindh

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#### Abstract

This research investigates the role of Small & Medium Enterprises in creating Employment sector with reference to Sindh. Data were collected from 200 respondent from 40 organizations by using simple random technique. A structural questionnaire was developed to get reliability of the Data. Data were analyze by using SPSS-18 version. It was revealed that SMEs are the major source of foreign exchange earnings, SMEs have a major contribution in Pakistan's GDP, A known feature of SME sector is its ability to create jobs, SMEs maintain the poverty alleviation activities through creating employment, SMEs assist in fostering a self-help and entrepreneurial culture, SMEs boost up an entrepreneurial strength which puts forward flexibility in the economy, SMEs are more capable in resource allocation as compared to large scale industries, SMEs in general consider employees as their most important resources, SMEs are pioneer in developing new products and services and finally SMEs are in general very quality minded in the products and services they provide.

**KeyWords:** SMEs; Employment; Sector; Sindh.

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## Introduction:

SMEs have historically taken as an significant part in contributing to economic progress of many countries around the world (Kongolo, 2010). There is no growth when the advantages of economic improvements are utilized only by a small number of people, whereas the greater parts are being expelled (Todaro and Smith, 2003). The unconstructive effects of current economic turn down have seriously influenced the socio-economic conditions of many people universally. As a reply to these negative conditions, it is necessary that the small, medium and large entrepreneurs improve their employment formation capabilities (Barakat, 2001). ISMEs on creation of employment, section three investigates the importance and significance of SMEs, section four addresses behavior of employer/manager in official and un-official matters with the employees, section five explores the appointment procedure in SMEs, section six discovers the contribution of SMEs to private sector employment section seven find out the contribution of SMEs to government sector employment, section eight highlights on the growth of SMEs in Sindh, section nine determines the performance/improvements of SMEs in textile industry of Pakistan during last five years, section ten assesses the role of textile industry of Pakistan in creation of job opportunities in the country, section eleven evaluates the fundamental role of textile sector in the exports of Pakistan, section twelve inspects the performance of textile sector in the development of the manufacturing sector in Pakistan and finally section thirteen observes the contribution of SMEs in employment of Pakistan.

It was also pointed out by the Advani (1997) that from the socio-economic development point of view, SMEs provide a variety of benefits. A well-supported and enhanced small business sector is likely to continue contributing to the economic development process in the same way as a large business (Abraham, 2003). One of the noteworthy distinctiveness of a prosperous and emergent economy is a booming and blooming small and medium enterprises (SMEs) sector (Feeney and Riding, 1997).

Feeney and Riding (1997) further argued that small and medium enterprises play an important role in the development of a country. According to Fida (2008) SMEs contribute to economic development in various ways: by creating employment for rural and urban labor force, providing desirable sustainability, and innovation in the economy as a whole. In addition to that, large number of people relies on the small and medium enterprises directly or indirectly. Cook and Nixon (2000) also gave arguments in favor of SMEs according to him the growth of SMEs is seen as the way to accelerating the accomplishment of wider socio-economic objectives, including poverty mitigation. The growth and efficiency of small enterprises have also become famous (Mazumdar, 1997). Using the case of Northern Italy, Piore and Sabel (1984) have argued that small enterprises are more efficient because they have adopted a flexible specialization approach. In the same way, there has been growing interest in whether this model has or can be replicated in developing countries (Schmitz, 1989; Pederson, 1994; Schmitz and Musyck, 1994; Schmitz, 1995). Considerable attention has been paid in the last decade to the problem of poverty-reduction in developing countries. (World Bank, 1989, 1997). It is generally agreed that the development of micro and small-scale enterprises (MSEs) can be a key ingredient in poverty-reduction (Sen, 1980 and Green et al, 2002). On the other hand, evidence shows that small-scale enterprises contribute significantly to household incomes (Liedholm et al., 1994; McPherson, 1996; Kapoor et al., 1997; Perks, 2004; McDade & Spring, 2005). It is also globally experienced that a well-organized SME sector is favorable to rapid industrial intensification (Hill, 2001, Lyod 2002).

## Data Collection Methodology

Data were collected from 200 respondent from 40 organizations by using simple random technique. A structural questionnaire was developed to get reliability of the Data. Data were analyzed by using SPSS-18 version.

## Results and Discussion

### IMPACT OF SMALL AND MEDIUM ENTERPRISES (SMES) ON CREATION OF EMPLOYMENT

In order to have a comparative view about the perceived impact of SMEs on employment, employees responses were obtained by using likert type 5-point scales and the items were replicated from the managerial questionnaire. These items were; SMEs are the major source of employment, SMEs are also largest source of domestic employment, SMEs have reduced un-employment in the country and SMEs have created job opportunities in rural areas of Sindh.

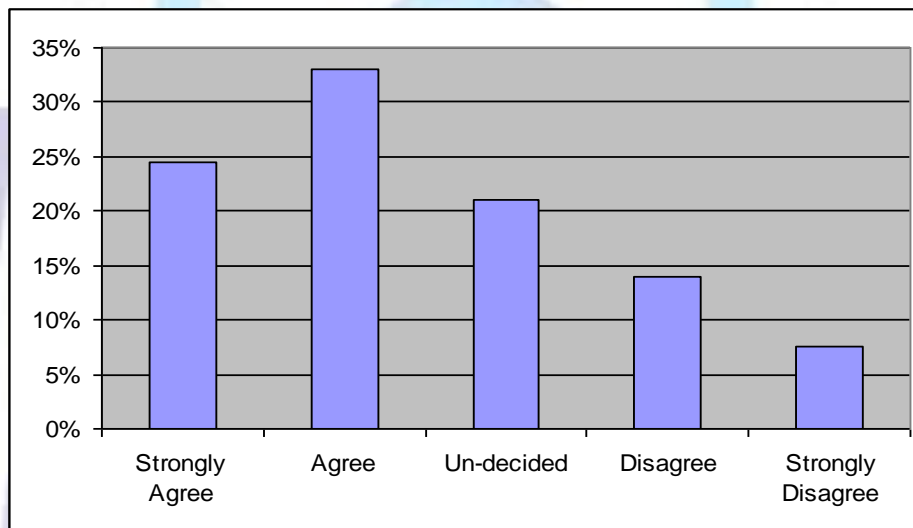
An inspection of table 6.4 reveals that the majority of the employees more than 55% indicated agreements with the SMEs are the major source of employment, more than 20% appeared to be disagreed and also more than 20% of the participants were un-certain about their opinion. In response of SMEs are also largest source of domestic employment a majority of 47% of the respondents were agreed, less than 20% were disagreed, while, more than one quarter were undecided in their views. Answering the question regarding the SMEs have reduced un-employment in the country 47% of the participants indicated their agreement, more than one quarter were disagreed, whereas less than 30% were undecided in their replies. Finally in the response of SMEs have created job opportunities in rural areas of Sindh, more than 50% showed their agreement, less than one quarter were disagreed and 1/4<sup>th</sup> of the participants were un-decided. This may indicate that employees do not have adequate knowledge about the question asked for the reply (see also figure 6.2.1 to 6.2.4)



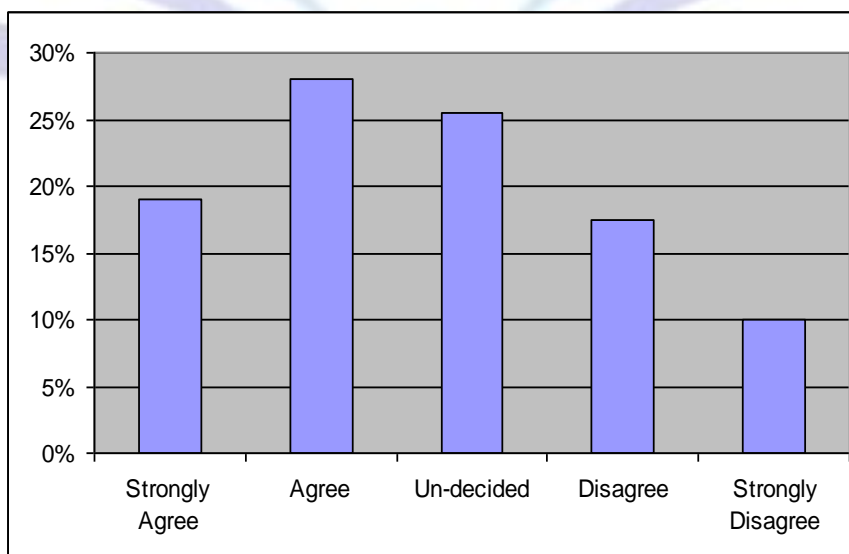
**TABLE 6.4 DISTRIBUTION OF EMPLOYEES' RESPONSES ON THE PERCEIVED IMPACT OF SMALL AND MEDIUM ENTERPRISES (SMES) ON CREATION OF EMPLOYMENT (N=200)**

	Strongly Agree	Agree	Un-decided	Disagree	Strongly Disagree	Total
a. SMEs are the major source of employment	49 (24.5%)	66 (33%)	42 (21%)	28 (14%)	15 (07.5%)	200 (100%)
b. SMEs are also largest source of domestic employment	38 (19%)	56 (28%)	51 (25.5%)	35 (17.5%)	20 (10%)	200 (100%)
c. SMEs have reduced un-employment in the country	35 (17.5%)	59 (29.5%)	55 (27.5%)	32 (16%)	19 (09.5%)	200 (100%)
d. SMEs have created job opportunities in rural areas of Sindh	41 (20.5%)	62 (31%)	50 (25%)	30 (15%)	17 (08.5%)	200 (100%)

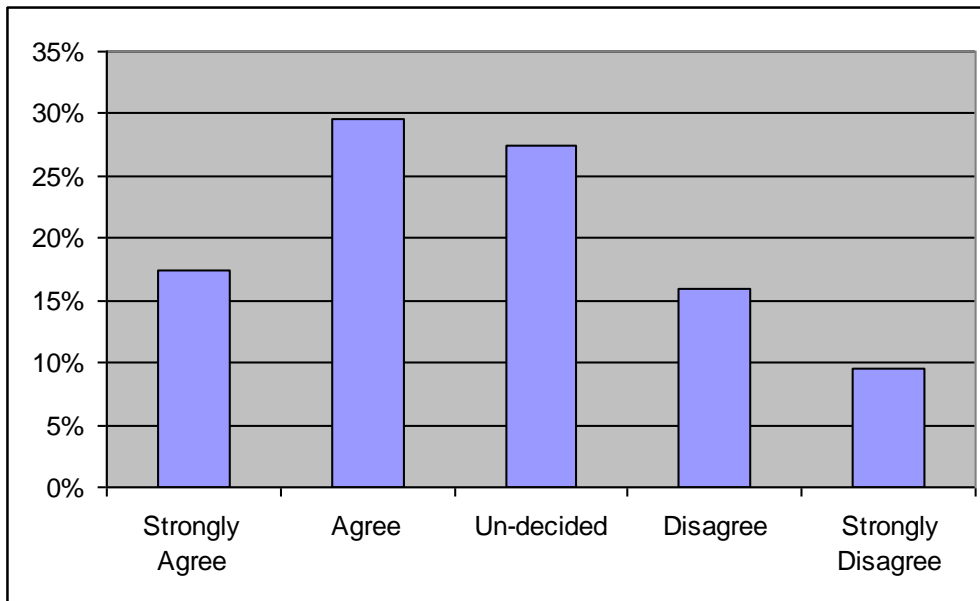
**FIGURE 6.2.1 SMES ARE THE MAJOR SOURCE OF EMPLOYMENT**



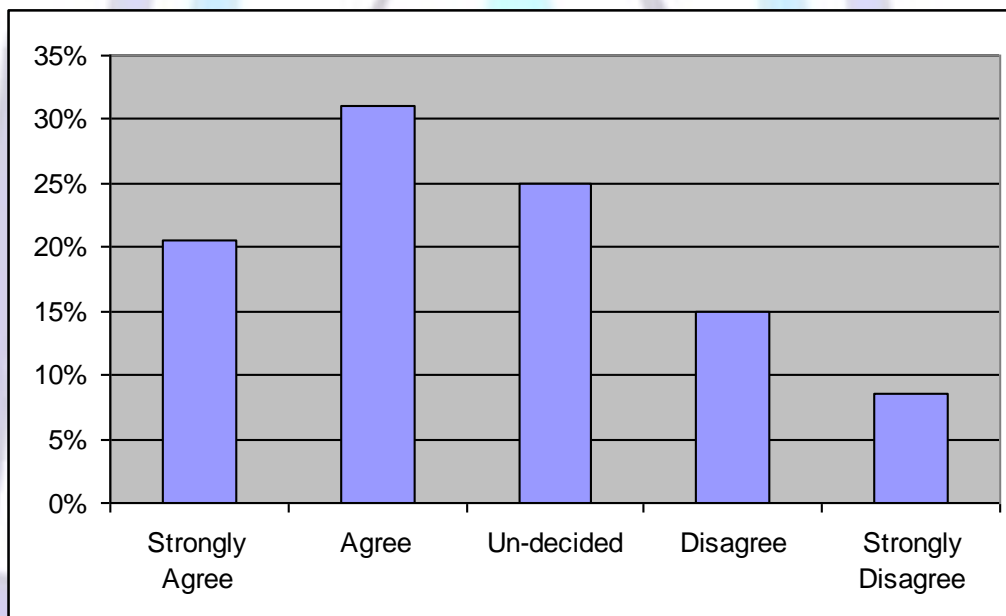
**FIGURE 6.2.2 SMES ARE ALSO LARGEST SOURCE OF DOMESTIC EMPLOYMENT**



**FIGURE 2. SMES HAVE REDUCED UN-EMPLOYMENT IN THE COUNTRY**



**FIGURE 6.2.4 SMEs HAVE CREATED JOB OPPORTUNITIES IN RURAL AREAS OF SINDH**



As revealed by one-way analysis of variance a significant difference of opinion was found among the entire three sample SMEs in textile industry of Pakistan in all the statements such as SMEs are the major source of employment, SMEs are also largest source of domestic employment, SMEs have reduced un-employment in the country and SMEs have created job opportunities in rural areas of Sindh as illustrated in table 6.5.

**TABLE 6.5 MEAN SCORES AND STANDARD DEVIATIONS OF THE MANAGERS' PERCEPTIONS ABOUT IMPACT OF SMALL AND MEDIUM ENTERPRISES (SMEs) ON CREATION OF EMPLOYMENT**

Statement	Ginning (n=50)		Weaving (n=20)		Garments (n=30)		ANOVA By sector	
	Mean	SD	Mean	SD	Mean	SD	F	p
a. SMEs are the major source of employment	20	8.000	08	4.062	12	7.874	3.9298	0.0487
b. SMEs are also largest source of domestic	20	6.595	08	3.391	12	5.244	6.7879	0.0107



employment								
c. SMEs have reduced un-employment in the country	20	4.950	08	5.339	12	7.314	5.2582	0.0229
d. SMEs have created job opportunities in rural areas of Sindh	20	7.969	08	3.674	12	6.595	4.6473	0.0320

**a) Relationships between impact of SMEs on employment items**

An examination of table 6.6 indicates statistically significant relationships between all the impacts of SMEs on employment items. All items are positively and significantly correlated with one another. The range of coefficient correlation is from .842 to .990 all reaching 0.05 and 0.01 level of significance. This pattern of correlation suggest a broadly perceived favorable impact of SMEs on employment items

**TABLE 6.6 INTERCORRELATIONS BETWEEN IMPACTS OF SMES ON EMPLOYMENT ITEMS**

Variables	1	2	3	4
a. SMEs are the major source of employment	-			
b. SMEs are also largest source of domestic employment	.882*	-		
c. SMEs have reduced un-employment in the country	.842*	.990**	-	
d. SMEs have created job opportunities in rural areas of Sindh	.951**	.981**	.967**	-

\* Correlation is significant at the 0.05 level (1-tailed)

\*\* Correlation is significant at the 0.01 level (1-tailed)

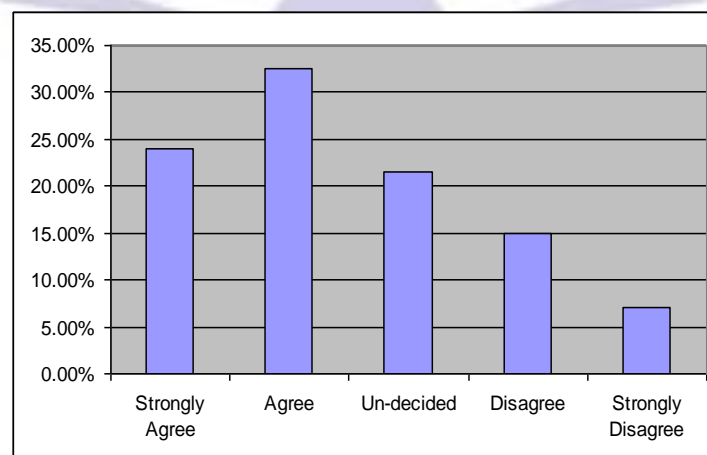
**6.3 IMPORTANCE AND SIGNIFICANCE OF SMALL AND MEDIUM ENTERPRISES (SMES)**

In order to investigate the importance and significance of SMEs, a twelve-item question was designed The main question asked to the employees was “Considering about the impact of Small and Medium Enterprises (SMEs) on creation of employment to what extent do you agree or disagree with the following statements (please tick one for each statement)”. Responses on this question were recorded on a 5-point Likert type scale (ranking from strongly agree-----strongly disagree).

**6.3.1 SMEs play a very major role in the economy of Pakistan.**

An examination of table 6.7 indicates that a majority of the employees (56.5%) seemed to be comfortable about the SMEs play a very major role in the economy of Pakistan, while 22% are not seemed to be comfortable, whereas, more than twenty percent (21.5%) were remained un-decided (see also figure 6.3).

**FIGURE 6.3.1 SMES PLAY A VERY MAJOR ROLE IN THE ECONOMY OF PAKISTAN.**



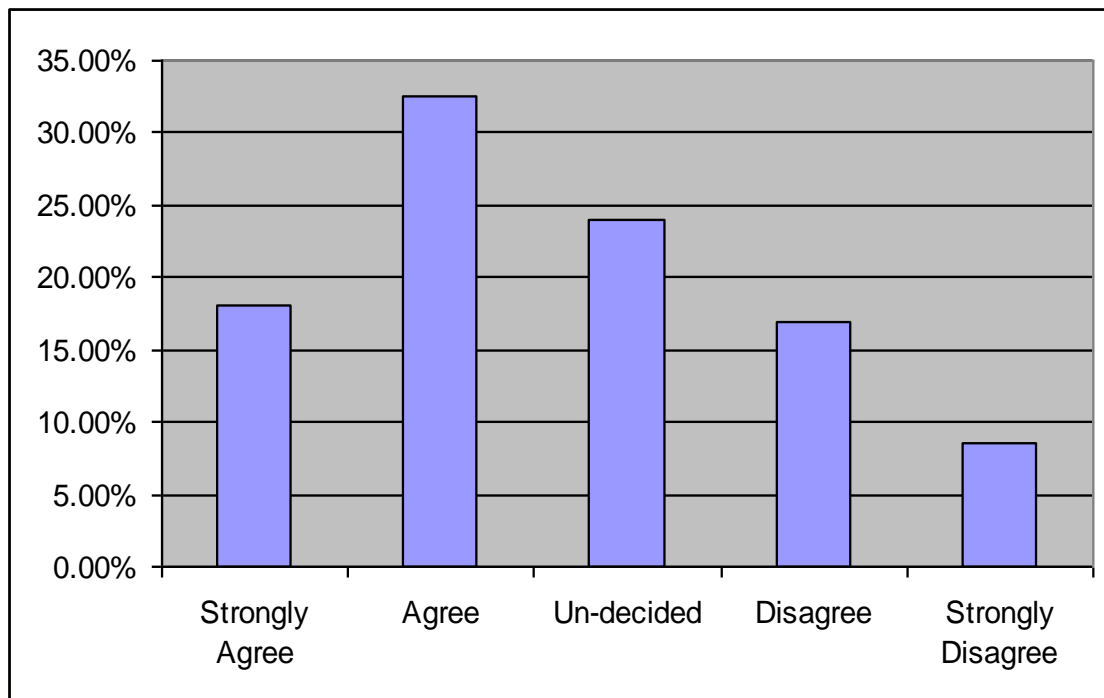
**6.3.2 SMEs are the major source of foreign exchange earnings**





In response to the question asked to the employees about the SMEs are the major source of foreign exchange earnings more than 50% indicated their agreement with the statement, less than one-quarter replied un-decided whereas more than one-quarter of the respondents were disagreed as shown in table 6.7 and figure 6.3.2).

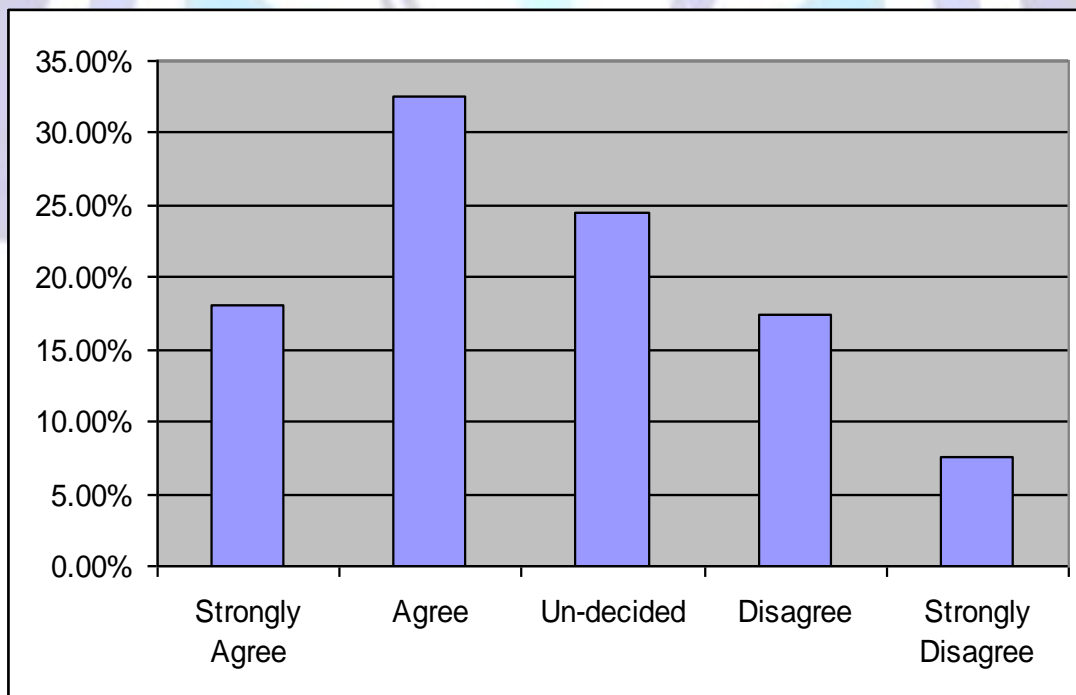
**FIGURE 6.3.2 SMEs ARE THE MAJOR SOURCE OF FOREIGN EXCHANGE EARNINGS**



### 6.3.3 SMEs have a major contribution in Pakistan's GDP

As far as contribution of SMEs in GDP of Pakistan is concerned more than 50% of the participants were appeared to be agreed, less than one-quarter were remained un-decided in their opinions whereas, 1/4<sup>th</sup> of the respondents were showed their disagreement with the statement as mentioned in table 6.7 and figure 3.

**FIGURE 6.3.3 SMEs HAVE A MAJOR CONTRIBUTION IN PAKISTAN'S GDP**

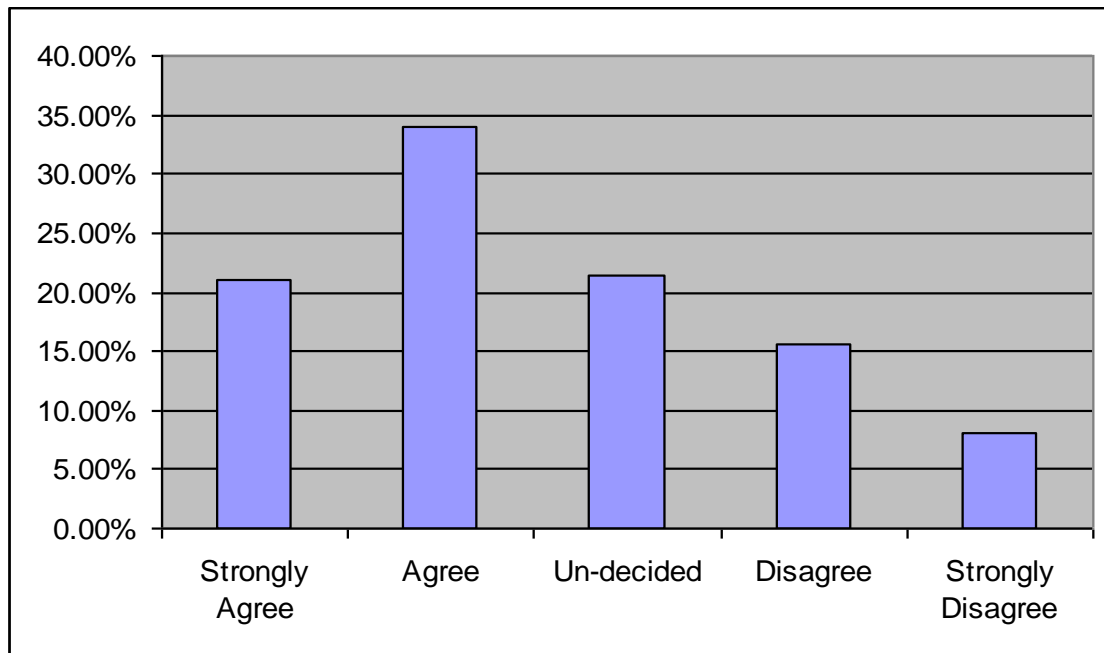


### 6.3.4 A known feature of SME sector is its ability to create jobs



Concerning about the statement that the known feature of SME sector is to create jobs, a majority of 55% indicated their agreement, more than 20% were un-decided due to lack of knowledge while less than one quarter participants were appeared to be disagreed with the statement (see table 6.7 and also figure 6.3.4).

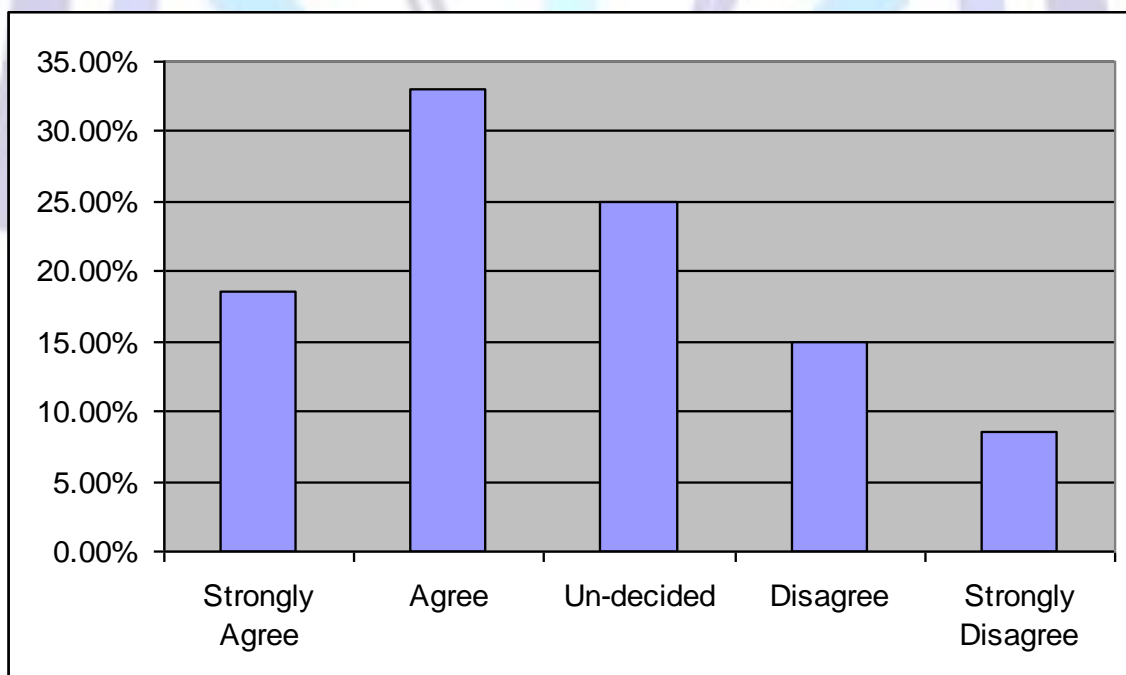
**FIGURE 6.3.4 A KNOWN FEATURE OF SME SECTOR IS ITS ABILITY TO CREATE JOBS**



#### **6.3.5 SMEs maintain the poverty alleviation activities through creating employment**

When the employees were asked about the SMEs maintain the poverty alleviation activities through creating employment, more than 50% of the respondents were agreed, 1/4<sup>th</sup> of the employees were seemed to be neither agreed nor disagreed in their views whereas less than one quarter were appeared to be disagreed with this statement (see table 6.7 and figure 6.3.5)

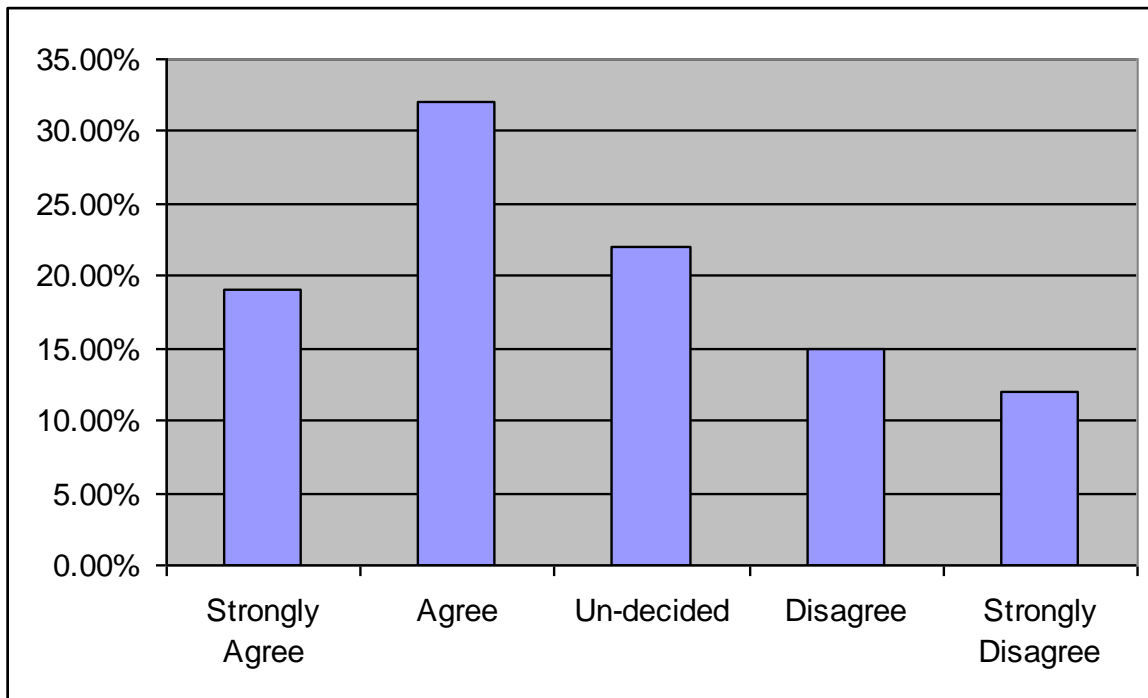
**FIGURE 6.3.5 SMES MAINTAIN THE POVERTY ALLEVIATION ACTIVITIES THROUGH CREATING EMPLOYMENT**



#### **6.3.6 SMEs assist in fostering a self-help and entrepreneurial culture**

As far as SMEs assist in fostering a self-help and entrepreneurial culture is concerned more than fifty percent of the respondents were emerged agreed, more than twenty percent were remained un-decided (neither agreed nor disagreed) whereas, more than one quarter of the respondents were demonstrated their disagreement on the above statement (see table 6.7 and figure 6.3.6).

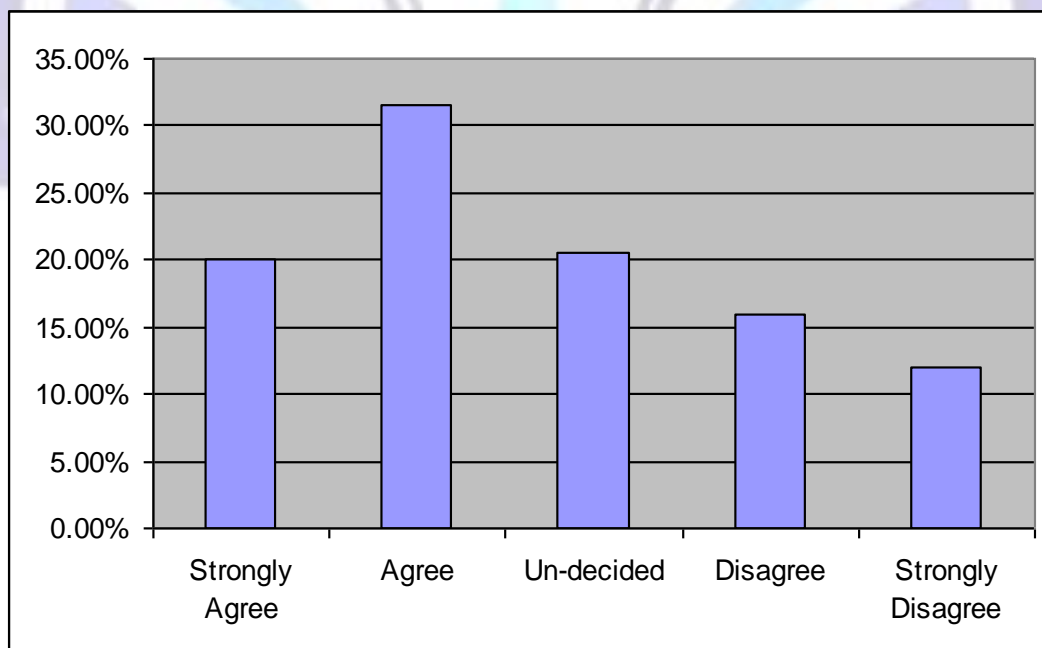
**FIGURE 6.3.6 SMEs ASSIST IN FOSTERING A SELF-HELP AND ENTREPRENEURIAL CULTURE**



**6.3.7 SMEs boost up an entrepreneurial strength which puts forward flexibility in the economy**

Regarding SMEs boost up an entrepreneurial strength more than 50% of the employees were appeared to be agreed, less than 30% of the participants were seemed to be disagreed while more than 20% remained un-decided in their opinions due to lack of knowledge and interest as shown in the table 6.7 and the following figure 6.3.7

**FIGURE 6.3.7 SMEs BOOST UP AN ENTREPRENEURIAL STRENGTH WHICH PUTS FORWARD FLEXIBILITY IN THE ECONOMY**



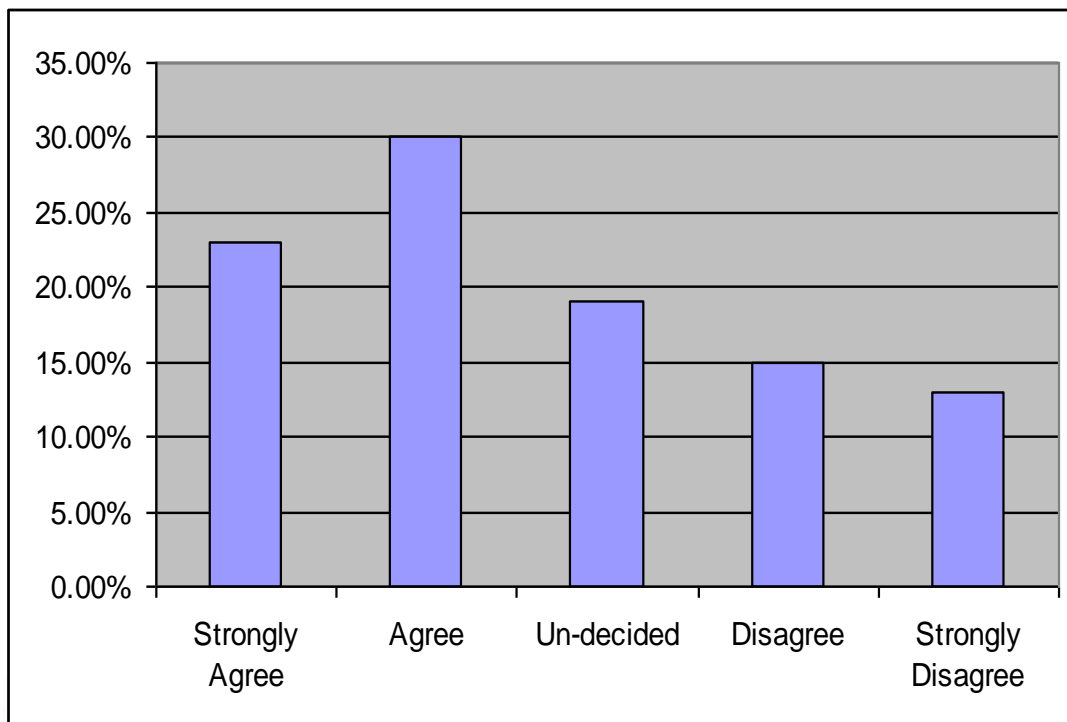
**6.3.8 SMEs create the best rising export sub-sectors**





In response to the statement relating to the SMEs create the best rising export sub-sectors the majority (53%) of the respondents were appeared to be agreed, less than 30% of the responded showed their disagreement at the same time less than 20% were remained un-certain in their opinions (see table 6.7 and figure 6.3.8).

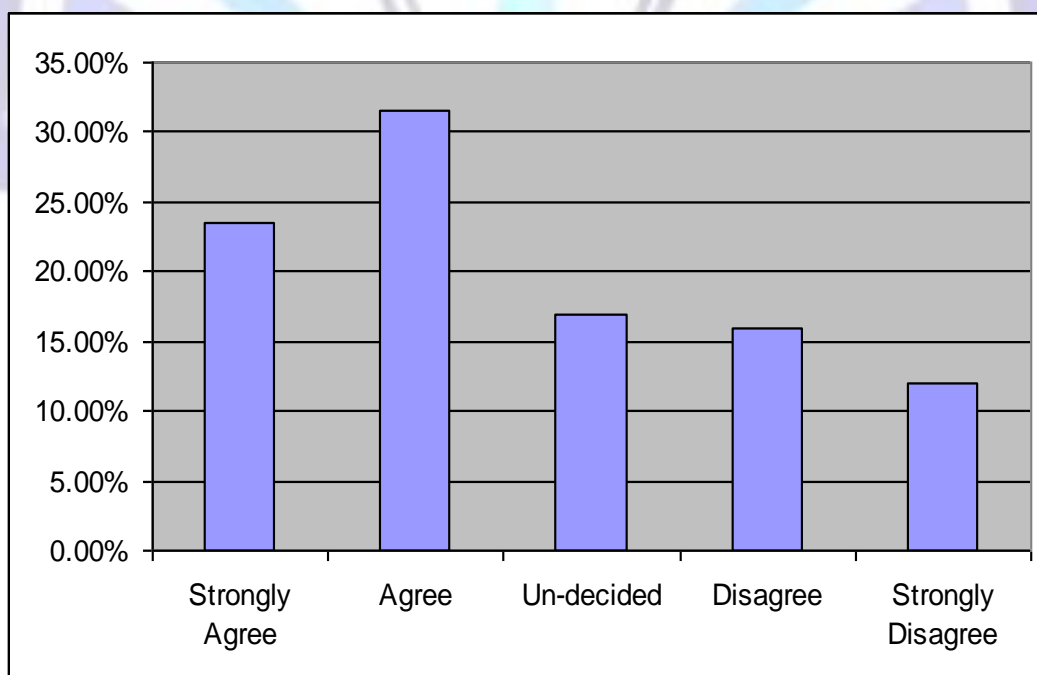
### 6.3.8 SMES CREATE THE BEST RISING EXPORT SUB-SECTORS



### 6.3.9 SMEs are more capable in resource allocation as compared to large scale industries

Responding by the respondents on the statement SMEs are more capable in resource allocation as compared to large scale industries majority of 55% of the employees were showed their agreement, 28% were demonstrated their disagreement while only 17% were appeared to be un-certain in their views as mentioned in the table 6.7 and figure 6.3.9

**FIGURE 6.3.9 SMEs ARE MORE CAPABLE IN RESOURCE ALLOCATION AS COMPARED TO LARGE SCALE INDUSTRIES**

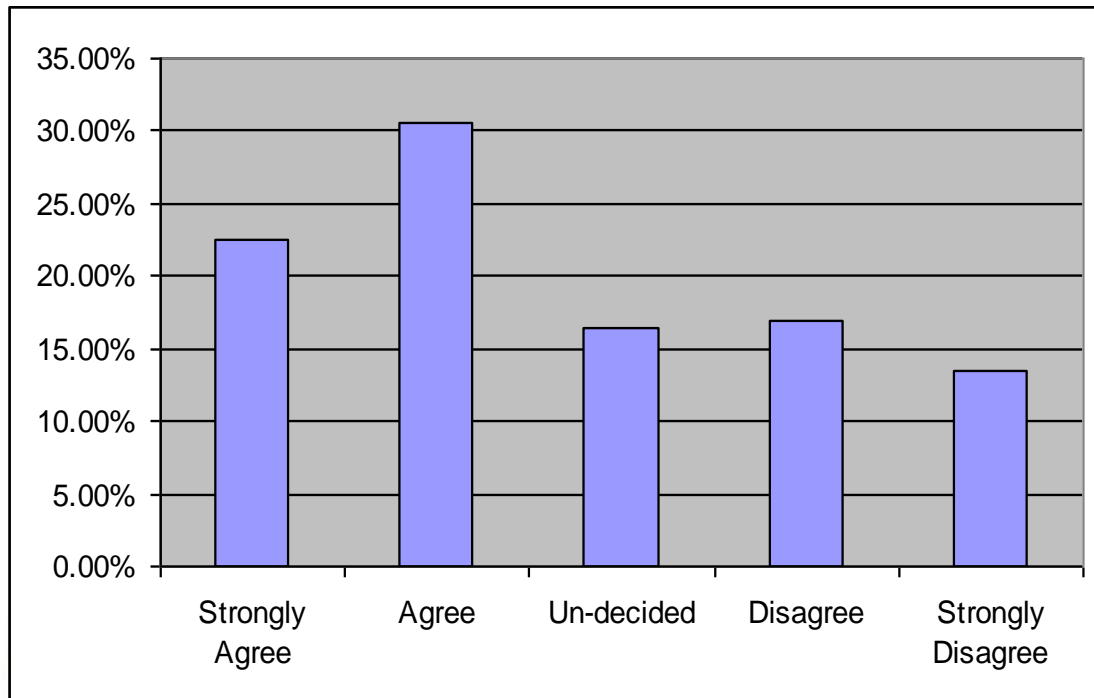


### 6.3.10 SMEs in general consider employees as their most important resources



when the employees were asked about the SMEs in general consider employees as their most important resources in the same way a majority (53%) of the employees were confirmed their agreement on the statement, more than 30% were not in a favored of the statement in the same way more than 15% were seemed to be neither agreed nor disagreed, pertaining to the statement (see table 6.7 and figure 6.3.10)

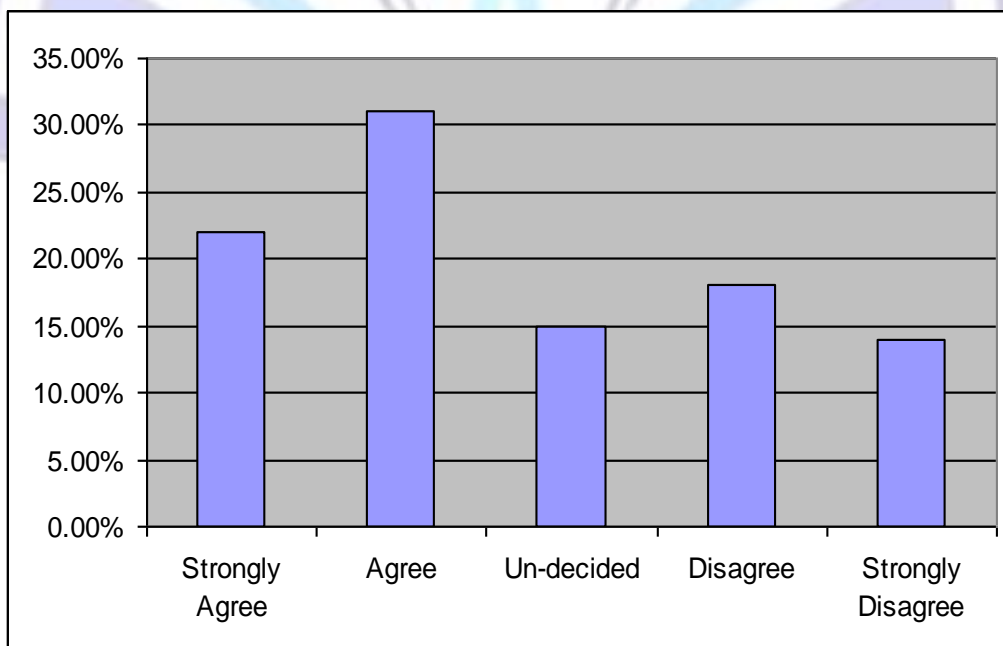
**FIGURE 6.3.10 SMES IN GENERAL CONSIDER EMPLOYEES AS THEIR MOST IMPORTANT RESOURCES**



#### 6.3.11 SMEs are pioneer in developing new products and services

As far as the statement regarding SMEs are pioneer in developing new products and services was concerned the majority (53%) of the employees were demonstrated their agreement on the matter, more than thirty percent were illustrated their disagreement at the same time only 15% of the respondents were remained un-decided (neither agreed nor disagreed) in their opinions as mentioned in the following table 6.7 and figure 6.3.11

**FIGURE 6.3.11 SMES ARE PIONEER IN DEVELOPING NEW PRODUCTS AND SERVICES**

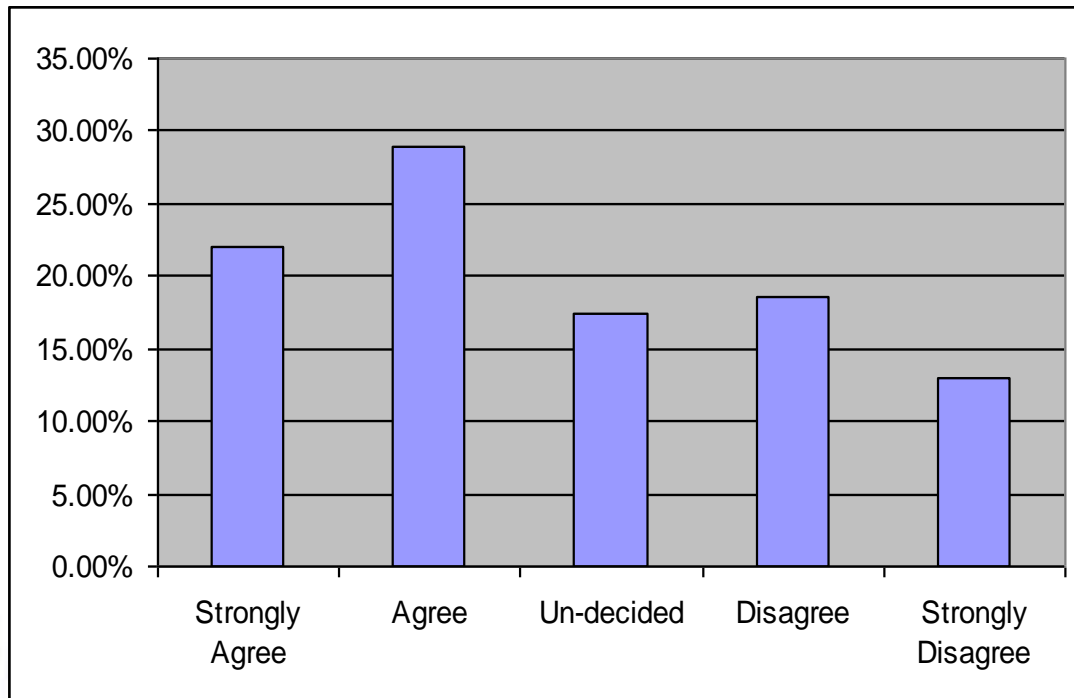


#### 6.3.12 SMEs are in general very quality minded in the products and services they provide



Finally when the respondents asked for the response on the issue of pertaining to the SMEs are in general very quality minded in the products and services they provide the majority (51%) of the participants also showed their agreement, more than 30% were not appeared to be agreed with the statement whereas only more than 17% were neither agreed nor disagreed due to lack of knowledge and interest.

**FIGURE 6.3.12 SMES ARE IN GENERAL VERY QUALITY MINDED IN THE PRODUCTS AND SERVICES THEY PROVIDE**



**TABLE 6.7 DISTRIBUTION OF EMPLOYEES' RESPONSES ON THE PERCEIVED IMPORTANCE AND SIGNIFICANCE OF SMES (N=200)**

	Strongly Agree	Agree	Un-decided	Disagree	Strongly Disagree	Total
a. SMEs play a very major role in the economy of Pakistan.	48 (24%)	65 (32.5%)	43 (21.5%)	30 (15%)	14 (07%)	200 (100%)
b. SMEs are the major source of foreign exchange earnings.	36 (18%)	65 (32.5%)	48 (24%)	34 (17%)	17 (08.5%)	200 (100%)
c. SMEs have a major contribution in Pakistan's GDP	36 (18%)	65 (32.5%)	49 (24.5%)	35 (17.5%)	15 (07.5%)	200 (100%)
d. A known feature of SME sector is its ability to create jobs.	42 (21%)	68 (34%)	43 (21.5%)	31 (15.5)	16 (08%)	200 (100%)
e. SMEs maintain the poverty alleviation activities through creating employment.	37 (18.5%)	66 (33%)	50 (25%)	30 (15%)	17 (08.5%)	200 (100%)
f. SMEs assist in fostering a self-help and entrepreneurial culture.	38 (19%)	64 (32%)	44 (22%)	30 (15%)	24 (12%)	200 (100%)



g. SMEs boost up an entrepreneurial strength which puts forward flexibility in the economy.	40 (20%)	63 (31.5%)	41 (20.5%)	32 (16%)	24 (12%)	200 (100%)
h. SMEs create the best rising export sub-sectors	46 (23%)	60 (30%)	38 (19%)	30 (15%)	26 (13%)	200 (100%)
i. SMEs are more capable in resource allocation as compared to large scale industries	47 (23.5%)	63 (31.5%)	34 (17%)	32 (16%)	24 (12%)	200 (100%)
j. SMEs in general consider employees as their most important resources	45 (22.5%)	61 (30.5%)	33 (16.5%)	34 (17%)	27 (13.5%)	200 (100%)
k. SMEs are pioneer in developing new products and services	44 (22%)	62 (31%)	30 (15%)	36 (18%)	28 (14%)	200 (100%)
l. SMEs are in general very quality minded in the products and services they provide	44 (22%)	58 (29%)	35 (17.5%)	37 (18.5%)	26 (13%)	200 (100%)

According to one-way analysis of variance a statistically significant difference of opinion was found among the employee groups in the three SMEs in textile industry of Pakistan as mentioned in the following table 6.8

**TABLE 6.8 MEAN SCORES AND STANDARD DEVIATIONS OF THE EMPLOYEES' PERCEPTIONS ABOUT THE IMPORTANCE AND SIGNIFICANCE OF SMES**

Items	Ginning (n=100)		Weaving (n=40)		Garment (n=60)		ANOVA By sector	
	Mean	SD	Mean	SD	Mean	SD	F	P
a. SMEs play a very major role in the economy of Pakistan.	20	8.337	08	4.950	12	6.205	4.226	0.040
b. SMEs are the major source of foreign exchange earnings.	20	7.211	08	4.416	12	6.519	4.912	0.027
c. SMEs have a major contribution in Pakistan's GDP	20	7.746	08	4.690	12	6.519	4.498	0.034
d. A known feature of SME sector is its ability to create jobs.	20	6.124	08	5.788	12	7.382	4.462	0.035
e. SMEs maintain the poverty alleviation activities through creating employment.	20	7.036	08	5.244	12	6.819	4.534	0.034
f. SMEs assist in fostering a self-help and entrepreneurial culture.	20	6.595	08	3.937	12	5.099	6.588	.012
g. SMEs boost up an entrepreneurial strength which puts forward flexibility in the economy.	20	7.615	08	2.915	12	4.527	6.437	.013



h. SMEs create the best rising export sub-sectors	20	5.700	08	2.345	12	5.916	7.671	.007
i. SMEs are more capable in resource allocation as compared to large scale industries	20	6.892	08	3.391	12	5.147	6.550	.012
j. SMEs in general consider employees as their most important resources	20	6.041	08	3.464	12	4.743	7.887	.007
k. SMEs are pioneer in developing new products and services	20	6.723	08	3.535	12	4.527	7.419	.008
l. SMEs are in general very quality minded in the products and services they provide	20	6.363	08	2.738	12	3.391	9.412	.003

**a) Relationships between importance and significance items of SMEs**

As shown in table 6.9 significant inter-correlations exists between all the importance and significance items of SMEs were statistically significant. This pattern of correlation suggests broadly perceived favorable relationships between importance and significance items of SMEs. The range of coefficient correlation is from .749 to .998 all reaching 0.05 and 0.01 level of significance.

**TABLE 6.9 INTERCORRELATIONS BETWEEN IMPORTANCE AND SIGNIFICANCE OF SMEs**

Variables	1	2	3	4	5	6	7	8	9	10	11	12
economy of Pakistan	-											
foreign exchange earnings	.932	-										
GDP	.928	.998	-									
Job Creation	.983	.973	.966	-								
poverty alleviation	.938	.993	.989	.972	-							
entrepreneurial culture	.939	.971	.957	.981	.981	-						
entrepreneurial strength	.960	.962	.948	.992	.963	.992	-					
export sub-sectors	.966	.871	.854	.959	.886	.937	.963	-				
resource allocation	.945	.840	.824	.940	.840	.901	.946	.987	-			
employees as important resources	.914	.820	.802	.922	.813	.887	.936	.970	.995	-		
developing new products and services	.854	.767	.767	.873	.749	.837	.896	.925	.971	.990	-	
quality minded in the products	.939	.863	.853	.945	.844	.893	.944	.957	.987	.988	.975	-



\*. Correlation is significant at the 0.05 level (1-tailed).

\*\* . Correlation is significant at the 0.01 level (1-tailed).

### 6.4 BEHAVIOR OF EMPLOYER/MANAGER IN OFFICIAL AND UN-OFFICIAL MATTERS

As far as behavior of employer/manager is concerned the majority of the employees were seemed to be highly satisfied whereas only 21% of the participants were appeared to be dissatisfied as shown in the following table 6.10 and figure 6.3

**TABLE 6.13 MEAN SCORES AND STANDARD DEVIATIONS OF THE EMPLOYEES' PERCEPTIONS ABOUT THE APPOINTMENT PROCEDURES IN SMES**

Ginning (n=100)		Weaving (n=40)		Garments (n=60)		ANOVA By sector	
Mean	SD	Mean	SD	Mean	SD	F	p
20	6.124	08	3.674	12	6.519	5.989	0.0157

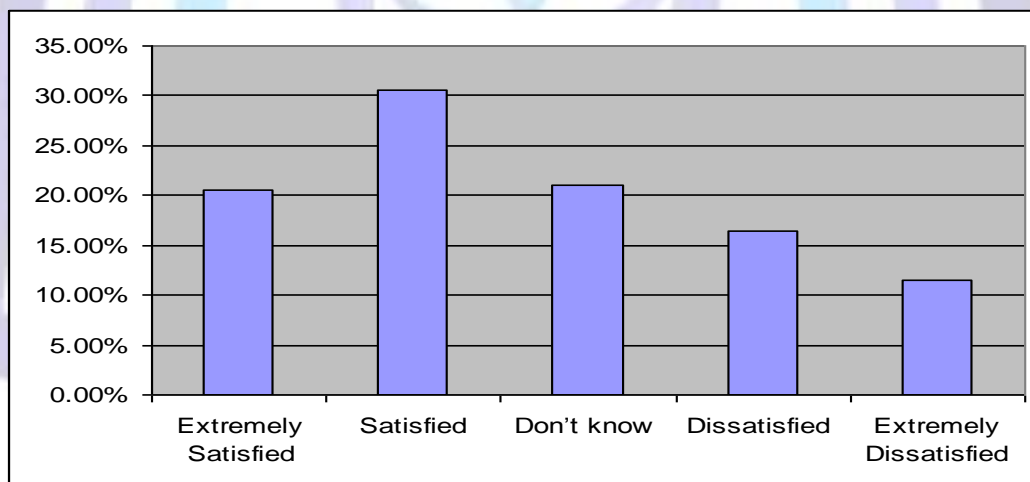
### 6.6 SMES ARE THE MAJOR CONTRIBUTORS TO PRIVATE SECTOR EMPLOYMENT

As far as SMEs are the major contributor to private sector employment is concerned the majority (51%) of the employees seemed to be satisfied less than thirty percent were dissatisfied while more than twenty percent did not answer the question (see table 6.14 and figure 6.5).

**TABLE 6.14 DISTRIBUTIONS OF EMPLOYEES' RESPONSES ON THE PERCEIVED SMES ARE THE MAJOR CONTRIBUTORS TO PRIVATE SECTOR EMPLOYMENT**

Extremely Satisfied	Satisfied	Don't know	Dissatisfied	Extremely Dissatisfied	Total
41 (20.5%)	61 (30.5%)	42 (21%)	33 (16.5%)	23 (11.5%)	200 (100%)

**FIGURE 6.4 SMES ARE THE MAJOR CONTRIBUTORS TO PRIVATE SECTOR EMPLOYMENT**



Using one way analysis of variance a number of different views can be observed among the Ginning, Weaving and Garments employees'. The significant difference of views was noted among all the employees working in three sample SMEs as mentioned in the following table 6.15.

**TABLE 6.15 MEAN SCORES AND STANDARD DEVIATIONS OF THE EMPLOYEES' PERCEPTIONS ABOUT THE SMES ARE THE MAJOR CONTRIBUTORS TO PRIVATE SECTOR EMPLOYMENT**

Ginning (n=100)		Weaving (n=40)		Garments (n=60)		ANOVA By sector	
Mean	SD	Mean	SD	Mean	SD	F	p
20	5.099	08	3.317	12	5.788	7.9433	0.0063

### 6.7 SMES ARE MAJOR CONTRIBUTORS TO GOVERNMENT SECTOR EMPLOYMENT





When the employees were asked about the contribution of SMEs to Government sector employment the majority of the respondents (46.5%) showed their dissatisfaction, more than 15% were seemed to be satisfied whereas less than 40% of the respondents circumvented to respond on the question as shown in table 6.16 and figure 6.5

**TABLE 6.16 DISTRIBUTIONS OF EMPLOYEES' RESPONSES ON THE PERCEIVED SMES ARE THE MAJOR CONTRIBUTORS TO GOVERNMENT SECTOR EMPLOYMENT**

Extremely Satisfied	Satisfied	Don't know	Dissatisfied	Extremely Dissatisfied	Total
05 (02.5%)	28 (14%)	74 (37%)	61 (30.5%)	32 (16%)	200 (100%)

**6.9 PERFORMANCE/IMPROVEMENTS OF SMES IN TEXTILE INDUSTRY OF PAKISTAN DURING LAST FIVE YEARS**

Shading the light on the following table 6.20 it is observed that the majority (57%) of the participants were satisfied on the performance/improvements of SMEs in textile industry of Pakistan during last five years, one quarter of the respondents were dissatisfied while 18% of the participants were evaded to them responding on the question (see also figure 6.7).

**TABLE 6.20 DISTRIBUTIONS OF EMPLOYEES' RESPONSES ON THE PERCEIVED PERFORMANCE/IMPROVEMENTS OF SMES IN TEXTILE INDUSTRY OF PAKISTAN DURING LAST FIVE YEARS**

Extremely Satisfied	Satisfied	Don't know	Dissatisfied	Extremely Dissatisfied	Total
47 (23.5%)	67 (33.5%)	36 (18%)	30 (15%)	20 (10%)	200 (100%)

Using one-way analysis of variance it is revealed that there is a significant difference in the views of three SMEs in textile industry of Pakistan on the matter of performance/ improvements of SMEs in textile industry of Pakistan during last five years (see table 6.21).

**TABLE 6.21 MEAN SCORES AND STANDARD DEVIATIONS OF THE EMPLOYEES' PERCEPTIONS ABOUT THE PERFORMANCE/IMPROVEMENTS OF SMES IN TEXTILE INDUSTRY OF PAKISTAN DURING LAST FIVE YEARS**

Ginning (n=100)		Weaving (n=40)		Garments (n=60)		ANOVA By sector	
Mean	SD	Mean	SD	Mean	SD	F	p

**TABLE 6.29 MEAN SCORES AND STANDARD DEVIATIONS OF THE EMPLOYEES' PERCEPTIONS ABOUT THE CONTRIBUTIONS OF SMES IN EMPLOYMENT OF PAKISTAN**

Ginning (n=100)		Weaving (n=40)		Garments (n=60)		ANOVA By sector	
Mean	SD	Mean	SD	Mean	SD	F	p
20	8.215	08	3.162	12	5.099	5.411	0.021

**CONCLUSION**

Overall, employees were more positive in perceiving favorable impact of SMEs on employment in textile industry of Pakistan. These perceptions were common across the three sample SMEs. It is also evident from the present study that in general, SMEs were perceived to have provided employment in urban areas as well as in rural areas of Sindh. The positive attitude of employees was further supported SMEs as the major source of employment where more employees were satisfied. There was also positive attitude of the employees in relation to the SMEs are the major contributors in private sector employment, but in relation to the SMEs are the major contributors in government sector employment there were negative attitude of the employees.

It is further summarized that the employees of the SMEs were more satisfied in the areas of textile sector is performing a leading role in the development of the manufacturing sector in Pakistan, textile sector performs a fundamental role in the



exports of Pakistan, role of textile industry of Pakistan in creation of job opportunities in the country, performance/improvements of SMEs in textile industry of Pakistan during last five years, growth of small and medium enterprises (SMEs) in Sindh, appointment procedure in SMEs, behavior of employer/manager in official and un-official matters.

Similarly, concerning the issue of importance and significance of small and medium enterprises (SMEs), no resistance was found among all the employees groups of sample SMEs in all the twelve areas. These include: SMEs play a very major role in the economy of Pakistan.

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