



INDUSTRIAL COMMITMENTS AND THE ENTREPRENEURIAL ECONOMY OF KERALA – AN EVALUATION OF KINFRA

Dr. P. Noufal¹, Dr. J.A. Naushad²

¹Associate Professor, Post Graduate Department of Economics

Government Sanskrit College, Pattambi-679306, Palakkad District, Kerala, India

²Associate Professor, Research Department of Commerce & Management Studies

Farook College (Autonomous), Kozhikode-673632, Kerala, India

ABSTRACT

DOI No: 10.36713/epra12185

Article DOI: <https://doi.org/10.36713/epra12185>

Being the industrial catalyst of the State, the Kerala Industrial Infrastructure Development Corporation (KINFRA) is dedicated to catalyse the industrial growth in Kerala and takes utmost care to achieve global standards in every domain of providing exemplary industry-specific infrastructure. It has been following an untiring effort of industrial development by promoting the concept of 'industrial parks' in the State. KINFRA encourages the rapid development of industries so as to transform Kerala into a vibrant industrial economy and to make it a competitive investment destination with globally accepted standards in technology, quality, and management. As an innovative industrial initiative, the establishment of KINFRA industrial parks attempts to explore an ecosystem where productive and innovative entrepreneurship germinates, sustains and grows leading to the creation of a more vibrant and dynamic industrial economy in Kerala. It is in the context, the paper attempts to explore the responsive commitments of the Corporation in promoting a typical entrepreneurial culture in the State over nearly 30 years of its operation.

KEYWORDS: Kerala Industry, Industrial Promotion, KINFRA, Industrial Parks, Industrial Commitments, Sustainable Entrepreneurship.

1.1. INTRODUCTION

The Kerala Industrial Infrastructure Development Corporation, popularly known as KINFRA, is a statutory body set up by an Act of State Legislature in February, 1993. It stands as a flagship of Kerala's industrial fleet as it ventures into the high seas of global commerce. Its vision is to create a State where industry thrives in the midst of the rich green environs and where people flourish in an achievement that fosters growth and the freedom to innovate. Its mission is to enable development across the State by identifying and promoting core competency industries of each region, creating walk-in and manufacture environments and wooing

discerning investors from across the world. It has catered to the industry-specific infrastructure requirements of the State by creating walk-in and manufacture environments in ready-to-use 'industrial complexes.' As the industrial facilitator, KINFRA has completed nearly 30 years of its operation and is having around 25 fully operational specialised industrial parks across the State. The ambience and flawless infrastructure facilities available in the industrial parks aim to provide a typical business or entrepreneurial culture in the State for the development of a high-tech, non-polluting and export-oriented industries in the industrial landscape of Kerala.

1.2. RESEARCH PROBLEM

Inadequacy of appropriate infrastructure is a major factor hindering the industrial development of the backward regions of the State. Development of adequate and commendable infrastructure is an essential pre-requisite for entrepreneurial development. The industrial parks set up by KINFRA can develop certain synergies and a typical entrepreneurial culture in the industrial economy of the State in terms of excellent institutional framework, support services and physical infrastructure. They are aptly treated as policy drivers to foster sufficing investments, employment, competitiveness, sustainable business strategies and regional economic development. Thus, it becomes significant to examine the economic imperative and commitments of the Kerala Industrial Infrastructure Development Corporation (KINFRA) with particular reference to its operational efficiency.

1.3.OBJECTIVES OF THE STUDY

KINFRA unleashes the industrial potential of the State and thereby enables its progressive and sustainable industrial development. By pioneering the concept of ‘industrial parks’, it provides an ambience for the enterprise and innovation to flourish and thereby profoundly influence the industrial economy of Kerala. In the context, the study attempts two major objectives, namely: (i) to examine the extent of ‘responsive commitments’ as performed by KINFRA through its industrial parks and (ii) to explore the

‘operational performance’ of KINFRA as the industrial facilitator of the State.

1.4. HYPOTHESES & TEST(S)

Over nearly 30 years of its operation, KINFRA is busy with a mission to make the State the most favoured destination for competitive industrial development with state-of-the-art infrastructure and support services. Within the framework of the research objective, the study attempts to test two hypotheses as: (i) the operational efficiency of KINFRA industrial parks in terms of ‘responsive commitments’ is nugatory and (ii) the operational performance of KINFRA in terms of realising objectives is also nugatory. The hypotheses are being tested by using Wilcoxon Signed Rank Test, based on the ‘median’ value of the data collected.

1.5. METHODOLOGY

KINFRA has completed nearly 30 years of its operation in Kerala. The study takes into account a period of 15 years of its operation (2005-2020) for exploration and analysis. There are a total of around 25 fully operational industrial parks and the study takes into account only the case of those industrial parks which have been set up before the year 2015. So, the total number of sample is 20 fully operational industrial parks. The study uses both primary and secondary data. Data have been collected and arranged by using a 5-point likert scale as shown below:

Scale Value	Choice of Evaluation	Standard Score
1	Completely Agree	100
2	Mostly Agree	75
3	Neither Agree Nor Disagree	50
4	Mostly Disagree	25
5	Completely Disagree	00

1.6. ANALYSIS OF RESPONSIVE COMMITMENTS

KINFRA works on the lines of the Industrial and Commercial Policy of the Government and is operating in accordance with certain values and vision. It significantly influences the industrial development of the State and is committed for delivering excellence in its operations. KINFRA continually seeks to improve its commitments by regular reviews on its working and makes revisions in its plans and responsibilities in order to maintain its operational excellences and success. The result is the emergence of the organisation as a genuinely purpose-led, values-driven and market-leading entity with responsive commitments and endurance to

deliver quality to its stakeholders. KINFRA industrial parks helps the entrepreneurs for sharing common infrastructure and support services, innovative technology and a conducive business environment at par with global standards. It is in the context, the study presumes ‘responsive commitments’ as a composite index covering certain aspects which can be used to obtain some insights on the operational efficiency of KINFRA.

1.6.1. Responsive Commitments – Aspects for Evaluation

The major aspects for evaluating the ‘responsive commitments’ of KINFRA and its industrial parks are given below:

Parameters	Description
1	Locational and localised advantages to the entrepreneurs for their business.
2	Congenial environment for the entrepreneurs towards their ideas, products and services.
3	Basic training and development activities for the entrepreneurs.
4	Strict adherence to the timeliness of various services to the entrepreneurs.
5	Leveraging of technology for the betterment of the entrepreneurs.
6	Efforts to enhance the productivity of employees of the industrial parks.

1.6.2. Responsive Commitments – Operational Efficiency: The responses on the major aspects of

evaluation of ‘responsive commitments’ of KINFRA and its industrial parks in Kerala are given below:

Evaluation Parameters	Scale and Proportion					Majority	
	1	2	3	4	5	Response	Per Cent
Parameter-1	13 (72.2)	05 (27.8)	00 --	00 --	00 --	Completely Agree	72.2
Parameter-2	03 (16.7)	10 (55.6)	05 (27.7)	00 --	00 --	Mostly Agree	55.6
Parameter-3	03 (16.7)	12 (66.6)	03 (16.7)	00 --	00 --	Mostly Agree	66.6
Parameter-4	04 (22.2)	14 (77.8)	00 --	00 --	00 --	Mostly Agree	77.7
Parameter-5	02 (11.1)	11 (61.1)	05 (27.8)	00 --	00 --	Mostly Agree	61.1
Parameter-6	00 --	02 (11.1)	06 (33.3)	10 (55.6)	00 --	Mostly Disagree	55.6

Source: Survey Research.

1.6.3. Responsive Commitments – Statistical Testing & Interpretation:

Kerala have been tested and the results are as follows:

The major aspects and responses on the ‘responsive commitments’ of KINFRA and its industrial parks in

H₀	The operational efficiency of KINFRA industrial parks in terms of ‘responsive commitments’ is nugatory.
Test	Wilcoxon Signed Rank (Median) Test
Hypothetical Median	3
P-value	3.510 ⁻⁵
Observed Median	2 (True location is less than 3)
Decision	Reject the null hypothesis (H ₀) and accept the alternative hypothesis (H ₁).
H₁	The operational efficiency of KINFRA industrial parks in terms of ‘responsive commitments’ is ‘mostly effective.’

The responses on each of the select parameters of the criteria ‘responsive commitments’ is analysed and the status of operational efficiency in terms of the chosen parameters is recorded with corresponding scores. Having been set the null hypothesis as ‘the operational performance of KINFRA industrial parks in terms of “responsive commitments” is nugatory’, the study uses Wilcoxon Signed Rank Test for testing the hypothesis. Assuming a hypothetical median value of 3 in a 5-point likert scale, the observed median is 2 with a P-value of 3.510⁻⁵. The null hypothesis is therefore rejected and the study accepts the alternative hypothesis, signifying the operational performance of KINFRA industrial parks in terms of ‘responsive commitments’ is mostly effective.

1.7. ANALYSIS OF THE OPERATIONAL PERFORMANCE OF KINFRA

By stimulating diverse avenues of business, KINFRA drives the direction and pace of innovation that underpins the future industrial growth of the State. Keeping strict adherence to quality and other standards of operations, KINFRA took the lead in promoting a typical business or entrepreneurial culture in Kerala. The study attempts to explore the operational efficiency and performance of KINFRA industrial parks within the ambit of the extent of fulfillment of its objectives as laid down in the Kerala Industrial Infrastructure Development Act, 1993. Select parameters of operational effectiveness such as ease of doing business, support systems and services, client relationship management, standards of business operations, responsive commitments, opportunities

for sustainable entrepreneurship and extension services are used. Responses were gathered on each of the sub-parameters and the observance status and the weighted score of the major parameter is obtained by using a 5-point likert scale. The operational efficiency in terms of the select parameters is tested

and interpreted by using Wilcoxon Signed Rank Test. A snapshot of the operational performance and efficiency of KINFRA in terms of the select parameters over its period of operation is shown below:

Parameters of Operational Efficiency		Performance Status
1	Ease of Doing Business	Mostly Effective
2	Support Systems and Services	Mostly Effective
3	Client-Relationship Management	Mostly Effective
4	Standards of Business Operations	Mostly Effective
5	Responsive Commitments	Mostly Effective
6	Opportunities for Sustainable Entrepreneurship	Mostly Effective
7	Extension Services	Mostly Effective

The major aspects and responses on the ‘operational performance’ of KINFRA and its industrial parks in

Kerala have been tested and the results are as follows:

H₀	The operational performance of KINFRA in realising its objectives is nugatory.
Test	Wilcoxon Signed Rank (Median) Test
Hypothetical Median	4
P-value	1.233 ⁻⁵
Observed Median	2 (True location is less than 4)
Decision	Reject the null hypothesis (H ₀) and accept the alternative hypothesis (H ₁).
H₁	The operational performance of KINFRA in realising its objectives is ‘mostly effective’ with a standard score of 83 per cent.

Having been set the null hypothesis as ‘the operational performance of KINFRA in realising its objectives is nugatory’, the study uses Wilcoxon Median Test for testing the hypothesis. Assuming a hypothetical median value of 4 in a 7-point likert scale, the observed median is 2 with a P-value of 1.233⁻⁵. The null hypothesis is therefore rejected and the study accepts the alternative hypothesis, signifying ‘the operational performance of KINFRA in realising its objectives is mostly effective.’

1.8. CONCLUSION

KINFRA facilitates the setting up and management of theme-based industries so as to modernise and diversify the industrial economy of Kerala. The infrastructure and support services offered by the industrial parks attract entrepreneurs from across the world to the State and have positively contributed to its industrial development. Being an official industrial facilitator, KINFRA always attempts to fulfill its objectives maximum and is equipped to usher better and new avenues of entrepreneurship for the State. It has commendable success at its credit throughout the entire period of its operation. The operational performance and efficacy of the Corporation and its industrial parks in terms of the ‘responsive commitments’ and ‘operational efficiency’ indices ratify the fact.

SELECT REFERENCE

1. Government of Kerala. (2022). *Economic Review 2021. Thiruvananthapuram: Kerala State Planning Board.*
2. ---- (2019). *The Kerala Industrial and Commercial Policy 2018. Thiruvananthapuram: Department of Industries and Commerce.*
3. ---- (2015). *Kerala Perspective Plan 2030. Thiruvananthapuram: Kerala State Planning Board.*
4. ----(2012). *Doing Business in Kerala. Thiruvananthapuram: Kerala State Industrial Development Corporation.*
5. Greco, A. and De Jong G. (2018). *Sustainable Entrepreneurship: Definitions, Themes and Research Gaps. Working Paper Series. Centre for Sustainable Entrepreneurship, University of Groningen.*
6. Institute for Studies in Industrial Development (ISID). (2010). *SME Clusters in India: Identifying Areas of Intervention for Inclusive Growth. New Delhi: ISID.*
7. Noufal, P. (2020). ‘Operational Performance of KINFRA Industrial Parks in Kerala: Select Inferences’ in *EPRA International Journal of Multidisciplinary Research.* 6(8): 115-122.
8. ---- (2019). *Operational Efficiency of KINFRA Industrial Parks and Its Impact on the Industrial Development of Kerala. Unpublished Ph.D. Thesis. University of Calicut.*
9. Noufal, P. and K.V. Ramachandran (2017). ‘Eco-Industrial Parks and Sustained Industrial Development – Prospects and Lessons.’ *International Journal of Social Science and Economic Research.* 2(5), pp 3401-3410.

10. Saleman, Yannick and Luke Simon Jordan (2013). *The Implementation of Industrial Parks– Some Lessons Learned in India*. Washington, DC: World Bank.
11. Srikumar, K.N. (2011). 'KINFRA – A Saga of Success' in Kerala Calling. Thiruvananthapuram: Government of Kerala. August, 2011, pp 16-19.
13. ----(2007). 'KINFRA: Treading New Highs' in Kerala Calling. December. Thiruvananthapuram: Government of Kerala.
14. Venkataramanaiah, S. And S.P. Prashar (2007). 'Enhancing the Competitiveness of SMEs through Industrial Clusters: The Indian Experience' in *International Journal of Technology Management and Sustainable Development*. Bristol, United Kingdom: Intellect. 6(3), pp 227-243.