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Proceedings of

National Seminar

on

Empowering India: The Crucial Role of Micro, Small and Medium Enterprises in the Viksit Bharat Mission by 2047

Sponsored by
Indian Industries Association
Muzaffarnagar Chapter

Organised by
Department of Commerce
Shri Ram College, Muzaffarnagar

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Proceeding of

National Seminar
on

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in

the Viksit Bharat Mission by 2047

held on
June 22, 2024

Sponsored by

Indian Industries Association
Muzaffarnagar Chapter

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Department of Commerce
Shri Ram College, Muzaffarnagar

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SEMINAR REPORT

One-Day National Seminar

on

Empowering India:

The Crucial Role of Micro, Small, and Medium Enterprises

in

the Viksit Bharat Mission by 2047

On

Dated 22nd June 2024

Organized by

Department of Commerce, Shri Ram College

Sponsored by

Indian Industries Association (IIA), Muzaffarnagar Chapter

The Department of Commerce, Shri Ram College, Muzaffarnagar successfully organized a one-day national seminar titled "Empowering India: The Crucial Role of Micro, Small, and Medium Enterprises in the Viksit Bharat Mission by 2047." Sponsored by the Indian Industries Association Muzaffarnagar Chapter. The seminar aimed to shed light on the pivotal role MSMEs play in achieving the ambitious vision of making India a developed nation by 2047. The main objectives of seminar are to explore the challenges and opportunities faced by MSMEs in India, to discuss innovative strategies for MSME growth and sustainability to identify policy-level changes required to strengthen MSMEs' contribution to the economy. to promote collaboration among stakeholders in the MSME ecosystem, including policymakers, industry leaders, and academia.

INAUGURAL SESSION

The seminar commenced with a formally lamp lighting in inaugural session through chief guest of Hon'ble Founder Chairman of Shri Ram Group of Colleges, Muzaffarnagar and guest of honor ADM(F) Mr. Gajendra Kumar, Chief Accountant Dehradun Dr Sateesh Pal, Chairman IIA Mr. Pawan Kumar Goel, Former Chairman IIA Mr. Kush Puri, President Shri Ram College Dr Poonam Sharma, SRGC(IC) Director Dr S N Chauhan, Director Research Dr RP Singh, Director Shri Ram College, Dr Ashok Kumar, Principal Shri Ram College, Dr Prerna Mittal, Dean IQAC Dr Vineet Kumar & Dean Management Dr Saurabh Mittal.

Seminar has stared with the welcome note delivered by Dr Ravindra Pratap Singh & IIA Chairman Mr. Pawan Kumar Goel and Dr Ashfaq Ali, organizing secretary, outlined the objectives of the seminar, emphasizing the importance of MSMEs in achieving the Viksit Bharat Mission by 2047 and highlighted the need for collective efforts from all stakeholders to empower this sector.

KEYNOTE SPEECH

Delivered by Dr. Satish Pal on "Empowering India: The Crucial Role of Micro, Small, and Medium Enterprises in the Viksit Bharat Mission by 2047." DrPal provided an insightful overview of the transformative role of MSMEs in India's economic growth. He emphasized innovation, sustainability, and the need for robust government support to enhance MSMEs' contribution to the national GDP. Highlighting key challenges such as access to finance, technology adoption, and skill development, DrPal outlined a roadmap for empowering MSMEs to align with the Viksit Bharat Mission.

Inaugural session conclude remark delivered by Dr SCKulshreshtha, Hon'ble Founder Chairman, Shri Ram Group of Colleges, it is my distinct honour and privilege to address this esteemed gathering today. As the Founder Chairman of Shri Ram Group of Colleges, I have always believed in the transformative power of education and the collective potential of our nation. Today, I wish to speak on a topic that is both inspiring and challenging: how India can achieve its aspirational targets in the years to come.

India, with its rich heritage and dynamic youth, stands on the cusp of unprecedented growth. Our aspirations encompass becoming a $ 55 trillion economy by 2047, achieving net-zero carbon emissions, ensuring 100% literacy, providing universal healthcare, and fostering innovation to emerge as a global leader in technology and infrastructure.

However, these ambitious goals demand a multifaceted approach and the active participation of every citizen. Let us delve into the strategies that can help us realize these aspirations. In next We must ensure that quality education reaches every corner of the nation, bridging the urban-rural divide. Introduce vocational training aligned with industry needs, fostering an ecosystem of entrepreneurship and employability. Leverage technology to make learning more inclusive and effective. Initiatives like digital classrooms, MOOCs, and AI-based learning tools can revolutionize education and he also highlighted the Modernizing roads, railways, ports, and digital connectivity to facilitate trade and mobility, small and medium enterprises are the backbone of our economy. Support through credit facilities, tax incentives, and skill-building will boost their growth Streamlining regulatory processes and fostering innovation through research and development.Expanding schemes like Ayushman Bharat to cover more citizens with quality medical services. Campaigns to raise awareness about hygiene, nutrition, and preventive healthcare.Use of AI, telemedicine, and mobile health apps to reach remote areas and many more and at last he said I urge each one of you to contribute in your capacity—be it as educators, policymakers, entrepreneurs, or students. Together, let us embark on this transformative journey and create a legacy that future generations will be proud of. Thank you, and Jai Hind!

TECHNICAL SESSION(S) HIGHLIGHTS

The Technical Session focused on in-depth discussions and expert insights into the role of MSMEs in achieving the Viksit Bharat Mission by 2047. Chaired by Dr Prerna Mittal and co-chaired by Dr Vineet Kumar, the session featured a series of presentations by distinguished speakers, including policymakers, industry leaders, and academic experts. In this session Professor Dr Sudhanshu Joshi from Doon University highlighted detail contribution of Supply Chain Management and MSMEs contribution in Viksit Bharat Mission 2047. In sequence of session Professor, A K Mishra, MGKVP Banaras, highlighted role of economic development and how India achieves Viksit Bharat Mission by 2047. A panel of experts deliberated on "Innovative Strategies for MSME Growth and Sustainability, leveraging digital technology to enhance operational efficiency, promoting green and sustainable business practices within MSMEs, Facilitating better access to financial resources and credit facilities, Successful MSME entrepreneurs shared their experiences, providing real-world insights into overcoming challenges and capitalizing on opportunities. The audience actively participated in a Q&A session, addressing concerns related to regulatory hurdles faced by MSMEs, Strategies for skill development and workforce enhancement and Collaboration opportunities between academia and industry to foster innovation.

VALEDICTORY SESSION

This seminar concluded with a valedictory session address by Mr. Ankit Singhal, Chairman, Federation of Muzaffarnagar Commerce & Industry. Mr. Singhal appreciated the Department of Commerce, Shri Ram College, for organizing such an impactful seminar that brought together various stakeholders in the MSME ecosystem. He emphasized the crucial role of MSMEs as the backbone of India's economy, contributing significantly to GDP and employment. Highlighted the need for simplified regulatory frameworks to ease the burden on MSMEs. Advocated for enhanced access to financial resources and technology. Stressed the importance of fostering innovation and skill development within the sector. Mr. Singhal shared his vision of MSMEs driving India's transformation into a developed nation by 2047, with a focus on self-reliance, sustainability, and global competitiveness. He urged policymakers, industry leaders, and academic institutions to work collectively to empower MSMEs and achieve the goals of the Viksit Bharat Mission. Mr. Singhal's address concluded with a note of optimism and a commitment to continuous efforts in strengthening the MSME ecosystem.

CONVENING EFFORTS

The seminar was convened by DrM.S. Khan and Ms. Garima Singh, whose dedication and leadership were instrumental in the event's success. Dr Khan and Ms. Singh envisioned the seminar as a platform to bring together diverse stakeholders, ensuring alignment with the objectives of the Viksit Bharat Mission. They meticulously planned the agenda, selecting themes and topics that resonated with the seminar's goals, and invited speakers who could provide valuable insights. They actively engaged with attendees, encouraging participation in discussions, Q&A sessions, and networking activities.

PARTICIPANTS

The seminar witnessed participation from 65 delegates, faculty members, industry professionals and entrepreneurs and more than 300 students from department of commerce.

The seminar underscored the crucial role of MSMEs in the journey towards a developed India by 2047. It served as a platform for meaningful dialogue among policymakers, industry leaders, and academia, fostering collaboration and innovation within the MSME ecosystem. Participants gained valuable insights into overcoming challenges and leveraging opportunities to empower.

ACKNOWLEDGMENTS

On behalf of the Department of Commerce, I Dr Ashfaq Ali, Organizing Secretary expresses gratitude to the Indian Industries Association for their sponsorship and support. Special thanks to Hon'ble Founder Chairman SRGC, All Speakers, Panellists, and Participants for making the seminar a grand success.

Thank You So Much!!!

(Dr Ashfaq Ali)

Organising Secretary

CONTENTS

COMPETENCY MAPPING AND MSME EXPECTATIONS: PREPARING MANAGEMENT STUDENTS FOR THE VIKSIT BHARAT MISSION 2047

***Udit Kumar Chauhan[1], Dr. Jatin Yadav[2], Ritika Maheshwari[3]**

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ABSTRACT

The Viksit Bharat Mission 2047 aims to transform India into a developed nation by 2047, with a focus on economic growth, technological advancement, and social development. This paper explores the role of competency mapping in aligning management education with the expectations of Micro, Small, and Medium Enterprises (MSMEs). It discusses the critical competencies required by MSMEs, examines current gaps in management education, and proposes strategies to bridge these gaps to prepare students effectively for contributing to this ambitious national mission.

Keywords: *Competency Mapping, Management Education, MSME Expectations, Viksit Bharat Mission 2047, Skill Development*

1. Introduction

The Viksit Bharat Mission 2047 sets forth a vision for India to become a developed nation by its centenary of independence. Central to this vision is the role of MSMEs, which are pivotal in driving economic growth, fostering innovation, and generating employment (Ministry of Micro, Small and Medium Enterprises, 2021). However, MSMEs face significant challenges in finding skilled and competent management professionals who can navigate the complex business landscape and drive organizational success (Agarwal & Upadhyay, 2019). This paper investigates how competency mapping can be leveraged to align management education with MSME expectations, thereby preparing students for meaningful contributions to the Viksit Bharat Mission 2047.

2. Competency Mapping: An Overview

Competency mapping is the process of identifying key skills, knowledge, and behaviors required for specific roles within an organization. It involves a detailed analysis of job roles and the competencies needed to perform them effectively (Lucia & Lepsinger, 1999). Competency mapping serves as a bridge between educational outcomes and industry requirements, ensuring that graduates possess the relevant capabilities to meet job demands.

2.1. Importance in Management Education

In the context of management education, competency mapping is crucial for developing curricula that are responsive to industry needs. By aligning educational programs with the competencies required by MSMEs, academic institutions can enhance the employability of their graduates and ensure they are equipped to contribute to organizational and national goals (Singh & Kumar, 2017).

3. MSME Expectations from Management Graduates

MSMEs are diverse and dynamic, requiring a broad spectrum of competencies from their management teams. The expectations from management graduates can be categorized into technical, managerial, and soft skills.

3.1. Technical Skills

Technical skills refer to the specific knowledge and abilities required to perform job-related tasks. For MSMEs, this includes expertise in areas such as financial management, marketing, supply chain management, and information technology (Kumar & Anand, 2020). Given the increasing digitization of business processes, proficiency in digital tools and data analytics is also highly valued.

3.2. Managerial Skills

Managerial skills encompass the ability to plan, organize, lead, and control business activities. MSMEs expect graduates to have strong strategic thinking, problem-solving abilities, and decision-making skills (Pandey & Sharma, 2018). Additionally, project management and resource allocation are critical areas where effective management is essential.

3.3. Soft Skills

Soft skills, including communication, teamwork, leadership, and emotional intelligence, are crucial for effective interpersonal interactions and organizational success. MSMEs place a high premium on these skills as they contribute to a positive workplace culture and enhance collaboration (Deshmukh & Deshmukh, 2020).

4. Gaps in Current Management Education

Despite the recognized importance of these competencies, there are notable gaps in the current management education system that need to be addressed to meet MSME expectations.

4.1. Theoretical versus Practical Knowledge

Many management programs are heavily theoretical, with insufficient emphasis on practical, hands-on experience. This disconnect between classroom learning and real-world application results in graduates who may have strong academic knowledge but lack practical skills (Bhandarker & Rai, 2021).

4.2. Outdated Curriculum

The rapidly changing business environment demands that management education continually evolves to stay relevant. However, many curricula are outdated and do not reflect the latest industry trends and technological advancements (Sharma & Singh, 2019).

4.3. Limited Industry Interaction

There is often limited interaction between academic institutions and industry, leading to a gap in understanding industry needs and expectations. This lack of collaboration can result in graduates who are not fully prepared to meet the demands of their roles in MSMEs (Chaudhary & Mehta, 2020).

5. Bridging the Gap: Strategies for Effective Competency Mapping

To bridge the gap between management education and MSME expectations, several strategies can be employed.

5.1. Curriculum Revamp

A thorough revamp of the management curriculum is essential to incorporate the latest industry trends and technological advancements. This includes integrating subjects such as digital marketing, data analytics, and innovation management (Kumar & Joshi, 2020). Additionally, the curriculum should balance theoretical knowledge with practical applications through case studies, simulations, and real-world projects.

5.2. Enhanced Industry Collaboration

Strengthening ties between academic institutions and industry can provide valuable insights into current industry practices and expectations. This can be achieved through partnerships, guest lectures, internships, and collaborative research projects (Mehta & Chatterjee, 2021). Such initiatives can provide students with exposure to real-world challenges and practical problem-solving experience.

5.3. Focus on Soft Skills Development

Soft skills development should be an integral part of management education. This can be facilitated through workshops, role-playing exercises, and team-based projects that encourage communication, leadership, and teamwork (Singh & Agarwal, 2018). Emotional intelligence training can also be incorporated to enhance interpersonal relationships and conflict resolution skills.

5.4. Continuous Learning and Adaptation

Given the dynamic nature of the business environment, continuous learning and adaptation are crucial. Educational institutions should promote a culture of lifelong learning, encouraging students to continuously upgrade their skills and knowledge (Raj & Raj, 2020). This can be supported through online courses, certification programs, and professional development workshops.

6. Preparing Management Students for the Viksit Bharat Mission 2047

The Viksit Bharat Mission 2047 envisions a developed India with a robust economy driven by innovation and technological advancements. Preparing management students to contribute to this vision requires a multi-faceted approach.

6.1. Emphasis on Innovation and Entrepreneurship

Management education should emphasize innovation and entrepreneurship, encouraging students to think creatively and develop new business ideas. This can be achieved through courses on entrepreneurship, innovation management, and design thinking (Chaudhary & Gupta, 2021). Additionally, incubation centers and startup support programs can provide students with the resources and mentorship needed to launch their ventures.

6.2. Focus on Sustainable Business Practices

Sustainability is a key component of the Viksit Bharat Mission 2047. Management programs should integrate sustainability into the curriculum, teaching students about sustainable business practices, corporate social responsibility, and ethical decision-making (Sharma & Patel, 2018). This will ensure that future managers are equipped to drive environmentally and socially responsible business strategies.

6.3. Global Perspective

To compete in a globalized economy, management students need a global perspective. This can be fostered through international exchange programs, cross-cultural studies, and exposure to global business practices (Kumar & Banerjee, 2021). Understanding different cultural contexts and international markets will prepare students to lead in a diverse and interconnected world.

6.4. Digital Transformation Skills

The digital transformation of businesses is a critical aspect of the Viksit Bharat Mission 2047. Management education should focus on equipping students with digital skills, including data analytics, digital marketing, and cybersecurity (Singh & Raj, 2019). Proficiency in these areas will enable graduates to leverage technology for business growth and innovation.

7. Conclusion

Competency mapping is a vital tool in aligning management education with MSME expectations and preparing students for the Viksit Bharat Mission 2047. By addressing the gaps in current education systems and implementing strategies to develop relevant competencies, academic institutions can enhance the employability and effectiveness of their graduates. Emphasizing innovation, sustainability, global perspectives, and digital skills will equip management students to drive the economic and social transformation envisioned for India's future.

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DETERMINANTS OF WORK-LIFE BALANCE: A COMPREHENSIVE REVIEW OF FACTORS AFFECTING WOMEN EDUCATORS

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ABSTRACT

Work-life balance (WLB) is an essential aspect of modern working life, particularly for women educators who face unique challenges in balancing professional as well as personal responsibilities. This paper provides a comprehensive review of the determinants of WLB among women educators. Through an analysis of existing available literature, the review identifies key factors influencing WLB, including organizational support, personal coping strategies, family dynamics, and socio-cultural expectations. The paper highlights the complexity of achieving WLB and suggests areas for future research and policy implications to support women educators in managing their dual roles effectively.

Keywords: *Work-Life Balance, Women Educators, Organizational Support, Socio-Cultural Norms, Professional Development, Family Dynamics, Flexible Work Policies*

1. Introduction

Work-life balance (WLB) refers to the equilibrium between professional duties and personal life activities. Achieving this balance is particularly challenging for women educators who juggle multiple roles. The education sector, characterized by demanding schedules and emotional labor, poses unique challenges for women. This review aims to explore the determinants affecting WLB among women educators, providing insights into the interplay of various factors and offering recommendations for improving their WLB.

2. Literature Review

2.1 Organizational Support

Organizational support plays a main role in influencing WLB among women educators. Supportive workplace policies, such as flexible working hours, remote work options, and childcare facilities, are significant determinants of WLB (Allen, 2013). Studies indicate that women educators with access to such supportive measures report higher job satisfaction and better work-life balance (Kelly et al., 2014). Additionally, the presence of mentorship programs and professional development opportunities can enhance job satisfaction and WLB (Grover & Crooker, 1995).

Flexibility in scheduling is one of the most valued forms of organizational support. Flexible schedules allow women educators to manage their teaching responsibilities while attending to personal or family needs. Remote work options can also provide significant relief, particularly for those with young children or other caregiving responsibilities. On-site childcare facilities are another critical support mechanism, reducing the stress associated with finding reliable childcare and enabling women to focus more on their professional responsibilities (Kossek et al., 2011).

2.2 Personal Coping Strategies

Personal coping strategies are vital for managing the demands of professional and personal life. Women educators often employ various strategies, such as time management, delegation of tasks, and self-care practices, to achieve a balance (Hobfoll, 1989). Effective stress management techniques, including mindfulness and physical exercise, also contribute to better WLB (Greenhaus & Powell, 2006).

Time management skills are essential for women educators to juggle their dual roles effectively. Prioritizing tasks, setting realistic goals, and using tools such as planners or digital calendars can help manage time more efficiently. Delegation of tasks at home, such as sharing household responsibilities with partners or older children, can also alleviate the burden on women educators. Engaging in regular physical exercise and mindfulness practices like meditation can reduce stress levels and enhance overall well-being (Lazarus & Folkman, 1984).

2.3 Family Dynamics

Family support and dynamics are critical in shaping WLB for women educators. The role of spouses, extended family, and domestic help can significantly alleviate the pressures faced by women in balancing work and home responsibilities (Voydanoff, 2005). The involvement of family members in childcare and household chores allows women educators to dedicate sufficient time to their professional roles without compromising personal life (Grzywacz & Carlson, 2007).

The quality of spousal support is particularly important. A supportive spouse who shares household duties and provides emotional support can significantly enhance a woman's ability to balance work and family life. Additionally, extended family members, such as grandparents, can provide childcare assistance, reducing the stress associated with managing both work and family responsibilities. Domestic help, though less common in some cultures, can also play a crucial role in easing the workload at home (Parasuraman & Greenhaus, 2002).

2.4 Socio-Cultural Expectations

Socio-cultural expectations and norms influence the perception and experience of WLB among women educators. In many cultures, traditional gender roles expect women to prioritize family over career, creating additional pressure to fulfill both roles effectively (Hochschild &Machung, 2012). These societal expectations often lead to increased stress and decreased job satisfaction among women educators (Schieman et al., 2009).

Cultural norms regarding gender roles can significantly impact women's ability to achieve WLB. In societies where women are expected to be the primary caregivers, balancing professional responsibilities with family duties can be particularly challenging. These expectations can lead to feelings of guilt and inadequacy when women are unable to meet both professional and personal demands fully. Addressing these socio-cultural norms is essential to create a more supportive environment for women educators (Blair-Loy, 2003).

2.5 Impact of Technology

The advent of technology has brought both opportunities and challenges for WLB among women educators. While technology can facilitate flexible working arrangements and remote work, it can also blur the boundaries between work and personal life. The expectation to be constantly available through emails and other digital communication tools can increase stress and reduce the quality of personal time (Boswell & Olson-Buchanan, 2007).

However, technology also offers tools that can help manage work and personal responsibilities more efficiently. Online calendars, task management apps, and virtual meeting platforms can enhance productivity and provide more control over one's schedule. The key is to establish clear boundaries and make deliberate decisions about when and how to use technology for work-related tasks (Derks & Bakker, 2014).

3. Discussion

3.1 Challenges in Achieving Work-Life Balance

The challenges in achieving WLB for women educators are multifaceted. The demanding nature of teaching, coupled with the expectation of being available outside school hours, exacerbates the difficulty in balancing work and personal life (Day & Gu, 2010). Moreover, the emotional labor involved in teaching adds to the stress, making it imperative to find effective coping mechanisms (Kinman et al., 2011).

Women educators often face the expectation to engage in extracurricular activities, attend meetings, and participate in professional development, all of which extend their work hours. These additional responsibilities, coupled with the emotional demands of teaching, can lead to burnout if not managed effectively. Finding ways to set boundaries and prioritize self-care is crucial for maintaining WLB (Hakanen et al., 2006).

3.2 Impact of Organizational Policies

Implementing supportive organizational policies can significantly enhance WLB for women educators. Institutions that offer flexible schedules, part-time options, and remote work arrangements see higher satisfaction and retention rates among female staff (Shockley & Allen, 2012). Additionally, providing on-site childcare facilities and parental leave policies can alleviate the burden on women educators (Kossek et al., 2011).

Organizations can also create a more supportive culture by recognizing the importance of WLB and encouraging employees to prioritize their well-being. This can be achieved through regular training programs, workshops on stress management, and promoting open communication between staff and management. Creating an environment where WLB is valued can lead to higher job satisfaction and productivity (Kelly et al., 2014).

3.3 Role of Personal and Family Support

Personal resilience and family support systems are equally important in achieving WLB. Women educators who can rely on their partners and family for support in domestic responsibilities experience less stress and more job satisfaction (Carlson et al., 2000). Encouraging a culture of shared responsibilities at home can further enhance WLB (Parasuraman & Greenhaus, 2002).

Building a strong support network is crucial for women educators. This includes not only family members but also friends and colleagues who can provide emotional support and practical assistance. Developing resilience through personal growth activities, such as continuing education and professional development, can also empower women educators to better manage their dual roles (Goleman, 1995).

3.4 Socio-Cultural Influences

Addressing socio-cultural influences is essential for improving WLB among women educators. Challenging traditional gender roles and promoting gender equality in both professional and personal spheres can help alleviate the pressure on women (Williams et al., 2016). Educational institutions can play a role in this by fostering an inclusive and supportive environment for all staff members (Blair-Loy, 2003).

Societal attitudes towards gender roles need to evolve to support women in achieving WLB. This can be facilitated through awareness campaigns, policy changes, and educational programs that promote gender equality. Schools and universities should also strive to create a culture that values diversity and supports all employees in balancing their work and personal lives (Hochschild & Machung, 2012).

3.5 Impact of Professional Development

Professional development opportunities can play a significant role in enhancing WLB for women educators. By providing opportunities for skill enhancement and career advancement, educational institutions can help women educators feel more satisfied and motivated in their roles. This, in turn, can reduce the stress associated with balancing professional and personal responsibilities (Grover & Crooker, 1995).

Continuous learning and professional growth can empower women educators to manage their roles more effectively. Institutions should offer a range of professional development programs, including workshops, seminars, and online courses, that cater to the diverse needs of their staff. Encouraging participation in these programs can lead to higher job satisfaction and better WLB (Day & Gu, 2010).

3.6 Psychological Well-being

The psychological well-being of women educators is closely linked to their ability to achieve WLB. High levels of stress and burnout can negatively impact both professional performance and personal life. It is essential to recognize the signs of stress and burnout early and take proactive steps to address them (Maslach & Leiter, 1997).

Institutions should provide resources and support for mental health, including access to counseling services and stress management programs. Creating a culture that prioritizes mental well-being can lead to a more supportive work environment and enhance overall WLB for women educators (Hakanen et al., 2006).

4. Recommendations

4.1 Policy Implementation

Educational institutions should implement policies that promote flexible working conditions and provide support systems, such as on-site childcare and parental leave. These measures can help women educators manage their dual roles effectively (Kossek et al., 2011).

Flexible working hours and the option to work remotely can provide significant relief to women educators, allowing them to balance professional and personal responsibilities more effectively. On-site childcare facilities can also reduce the stress associated with finding reliable childcare and enable women to focus on their work (Allen, 2013).

4.2 Promoting a Supportive Culture

Creating a supportive workplace culture that values work-life balance is crucial. This can be achieved through training programs, workshops on stress management, and promoting open communication between staff and management (Kelly et al., 2014).

Institutions should foster an environment where employees feel comfortable discussing their WLB challenges and seeking support. Regular training programs and workshops on topics such as time management, stress reduction, and mindfulness can provide valuable tools for managing work and personal responsibilities (Shockley & Allen, 2012).

4.3 Encouraging Family Involvement

Encouraging family involvement in domestic responsibilities can significantly enhance WLB for women educators. Educational programs aimed at promoting shared responsibilities and gender equality at home can be beneficial (Voydanoff, 2005).

Schools and universities can play a role in promoting gender equality by providing resources and support for families. This can include offering workshops on shared parenting, providing information on local childcare resources, and creating a supportive community for working parents (Grzywacz & Carlson, 2007).

4.4 Addressing Socio-Cultural Norms

Efforts should be made to challenge and change socio-cultural norms that pressure women to prioritize family over career. This includes advocating for gender equality and providing platforms for women educators to voice their challenges and experiences (Williams et al., 2016).

Educational institutions should actively promote gender equality and challenge traditional gender roles through awareness campaigns, policy changes, and inclusive practices. Providing platforms for women educators to share their experiences and challenges can help raise awareness and drive change (Hochschild &Machung, 2012).

4.5 Leveraging Technology

Educational institutions should leverage technology to support WLB among women educators. This includes providing tools and resources that help manage work tasks more efficiently and establishing clear boundaries for digital communication (Boswell & Olson-Buchanan, 2007).

Institutions can provide training on effective use of technology for work management, such as online calendars, task management apps, and virtual meeting platforms. Additionally, establishing clear policies on digital communication, such as setting specific hours for work-related emails, can help prevent the blurring of work and personal boundaries (Derks & Bakker, 2014).

4.6 Enhancing Professional Development

Providing continuous professional development opportunities can help women educators feel more satisfied and motivated in their roles. Institutions should offer a range of professional development programs that cater to the diverse needs of their staff (Grover & Crooker, 1995).

Offering opportunities for skill enhancement and career advancement can empower women educators to manage their roles more effectively. Institutions should encourage participation in professional development programs and provide support for further education and training (Day & Gu, 2010).

4.7 Supporting Mental Health

Educational institutions should prioritize the mental health of women educators by providing resources and support for stress management and mental well-being. This includes access to counseling services, stress management programs, and creating a supportive work environment (Maslach & Leiter, 1997).

Institutions can offer regular mental health workshops, provide access to mental health professionals, and create a culture that prioritizes mental well-being. Encouraging open discussions about mental health and providing resources for stress management can enhance overall WLB (Hakanen et al., 2006).

5. Conclusion

Achieving work-life balance (WLB) is a complex and multifaceted issue, particularly for women educators who face unique challenges. This review highlights the importance of organizational support, personal coping strategies, family dynamics, and socio-cultural expectations in influencing WLB. By addressing these determinants, educational institutions and policymakers can create a more supportive environment for women educators, enabling them to balance their professional and personal responsibilities effectively.

Educational institutions must prioritize the implementation of supportive policies such as flexible working hours, remote work options, and on-site childcare facilities. Creating a workplace culture that values WLB, providing continuous professional development opportunities, and supporting mental health are critical steps towards achieving this goal. Additionally, addressing socio-cultural norms that pressure women to prioritize family over career is essential for fostering an inclusive and equitable work environment.

Future research should continue to explore the intricate dynamics of WLB among women educators, examining the impact of various interventions and policies in different cultural contexts. By gaining a deeper understanding of these factors, stakeholders can develop more effective strategies to support women educators in their pursuit of WLB, ultimately contributing to their well-being and professional success.

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QUALITY STANDARDS AND CUSTOMER SATISFACTION: ENHANCING SERVICE BASED MSMEs FOR GLOBAL COMPETITIVENESS

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ABSTRACT

The development of MSMEs are considered as the growth driver for Indian economy in current scenario. These industries are witnessed as the thrust for accelerating the progress rate of GDP of the nation. The three tier growth of MSMEs i.e manufacturing, trade and service sector has created a benchmark of the success in the recent years, also for making our nation a self reliant economy. Apart from the mentioned segments, the service sector of MSMEs likeIT, tourism, hospitality, education, wholesale and retail trade etc.has also created and played a vibrant role for promoting a sustainable and inclusive development as well as creating employment at considerable level specially in challenging areas. The service sector needs to be more advanced and supported by the government initiatives to become more globally competitive. It has created a huge possibility in every domain of the commercial world. This paper is focussed on studying the current position of the service based MSMEs in our country. Also it aimed at analysing various problems faced by these industries globally. It will also suggest the various possibilities in improving the quality service to enhance the level of customer satisfaction by removing these impediments.

Keywords: MSMEs, Service sector, Customer satisfaction, Self reliant economy, Service quality, Global competitiveness.

Introduction

The MSMEs are widening their domain across various sectors of the economy, producing diverse range of products and services to meet demands of domestic as well as global markets. Worldwide, the MSME have been accepted as the engine of economic growth for promoting equitable development. Similarly, in India also, MSME have played an important role in economic growth and export promotion of the country. To maintain its niche in the international and global markets, MSME have been required to remain globally competitive and continuously update them to meet the challenges emerging out of changes in technology, changes in demands, emergence of new markets, etc. MSME and its organizations, through its various schemes and programmes, have been providing support to the Indian MSME sector by giving them exposure of the international market; latest technologies; sharing of experiences and best management practices in the international arena. Among its two main divisions- Manufacturing and service sector, the service sector constitute a larger portion in comparison to the manufacturing one as per the information sourced from UDYAM portal. There are about 8.65 lakh enterprises registered under the service category and 5.37 lakhs in the manufacturing sector.It shows the expanding market segment backed by the customer loyalty and satisfaction. But some impediments are still need more attention for its correct way. They are creating hurdles in the path of the progress of service based MSMEs. This research work is throwing light on various aspects of the position and problems faced by service based MSMEs overseas in creating delighted customers with its quality service. The works has also suggested considerable ways in improving the customer market and serve their expectations by improving the service quality to delight them globally.

Literature Review

Bhavani, T.A. (2011),This study reveals that how the all aspects of the MSME'S (Employment, Leading sector of MSME'S, Investment in fixed assets) being change in modern perspective. The technological advancement and protection of MSME'S through various subsidy schemes and liberal availability of credit will be a great help.

Nalabala Kalyan, Kumar. Sardar, Gugloth. (2011). This study focuses upon the growth pattern of the MSME'S, employment generation (1992-2009). Further, study reveals the symptoms and steps involved in industrial sickness. The study gives the ample amount of knowledge about the various credit schemes sponsored by the government. Laghu udyami credit card scheme ,Credit guarantee fund trust for small industries, Swarojgar credit card scheme, Credit linked capital subsidy scheme and credit through commercial banks are the sources and schemes available to fulfill the financial needs as well as financially strengthen to the MSME'S.

Dam & Dam (2021) defines services as: "Intangible goods (intangible products) that are bought and sold in the market through a mutually satisfying exchange transaction." Ismail & Yunan (2016) defines service as: "Every action or deed that can be offered by another party which is basically intangible (intangible) and does not result in ownership of something." Rita et al (2019) states that: "Customer service is the provision of labor and other resources aimed at increasing the benefits received by customers as a result of purchases made and from the process leading to the purchase".

Vasa (2016) conducted a research on some selected industries of chemical, pharmaceutical and textile sector of India and China and their impact on the performance of SMEs of these sectors. However, till now there are some problems associated with MSMEs, like lack of capital sufficiency, lack of entry to global market, high cost of credit, problems of stuffing, planning and product display, and inadequate infrastructure facilities etc.

N. Aruna (2015) conducted a study to identify the problems faced by enterprises due to which the growth of enterprises is affected, in turn affecting growth of the country. Further, the data collected revealed that overall globalised business environment of India has been favourable for the growth of micro and small-scale industries. Simple and clear policies and acts are to be made so that these enterprises can understand them and utilize as well as implement them in business for compliance and secure benefits.

Objectives

1. To study the current position of service based MSMEs in our country.
2. To analyse the various problems faced by these industries effecting the level of customer satisfaction.
3. To suggest the effective possible ways in improving the quality service and customer satisfaction at global level.

Methodology

The Data used in the study are secondary in nature and mostly collected from the Annual Reports published by the Ministry of Micro, Small and Medium Enterprises and various research journals. It includes both qualitative and quantitative analysis of the content. The information is processed to achieve some productive conclusion with the help of statistical tools like bar graphs and pie charts.

Present Position of Service Based MSMEs In India: An Overview

After the entrepreneurial freedom, MSMEs enjoyed a wide range of benefits like easier access to credit, Tax benefits, Public procurement opportunities etc. These variables are contributing a greater level of customer satisfaction followed by expected quality in their services. The government has announced number of schemes and taken effective initiatives in uplifting the service based MSMEs at global level. In this fast-paced era, the service industry holds immense potential for those who dare to dream big. From hospitality and consulting to software development and digital marketing, this thriving sector offers a wide array of opportunities to explore.

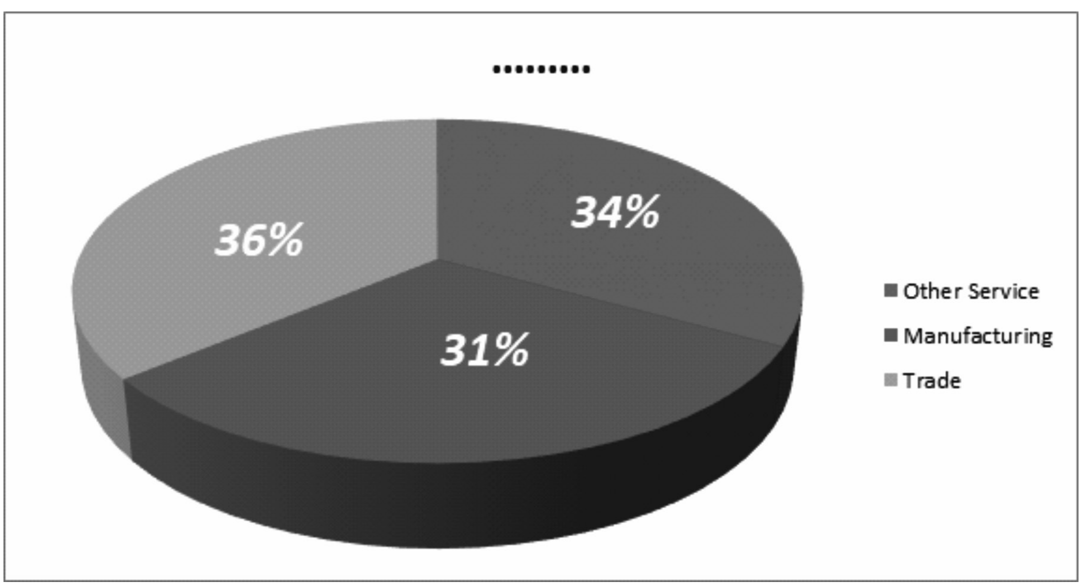
Updated MSME Definition and Criteria in 2024

The new MSME classification s based on two parameters- Investment in plant and machinery or equipment(for manufacturing and service enterprise) and turnover for service enterprises.

Type of Unit	Investment limit (in crores)	Turnover limit (in crores)
Micro	1 cr.	10 cr.
Small	10 cr.	50 cr.
Medium	50 cr.	250 cr.

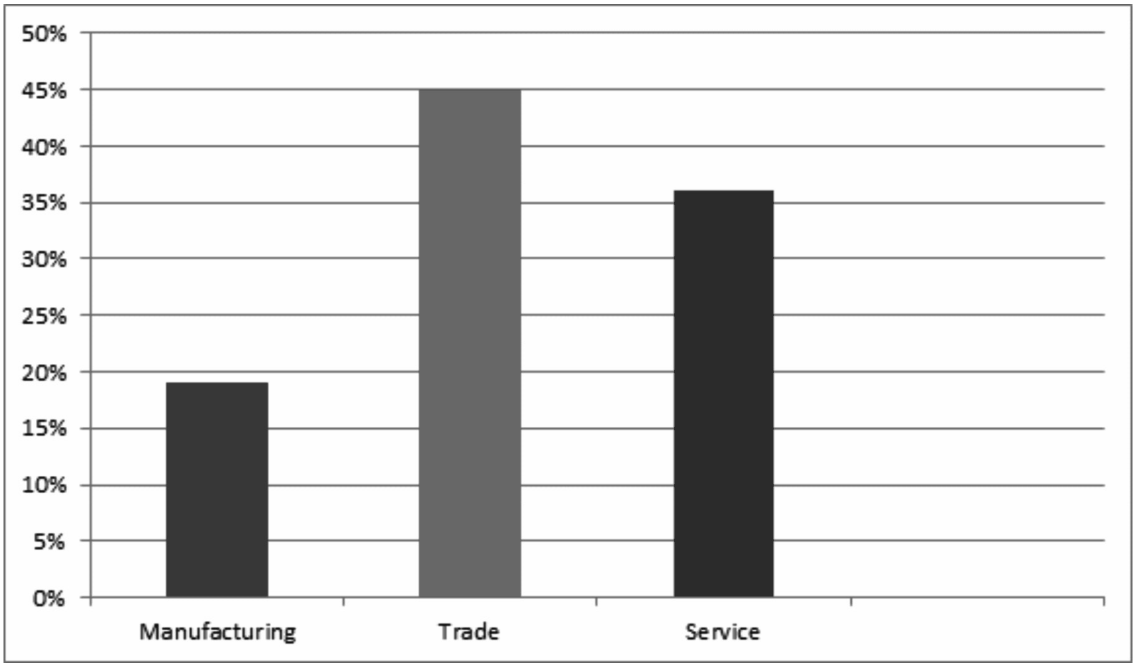
Source: Annual Report on MSME 2023-24

Distribution of estimated MSME(Nature of activity wise)



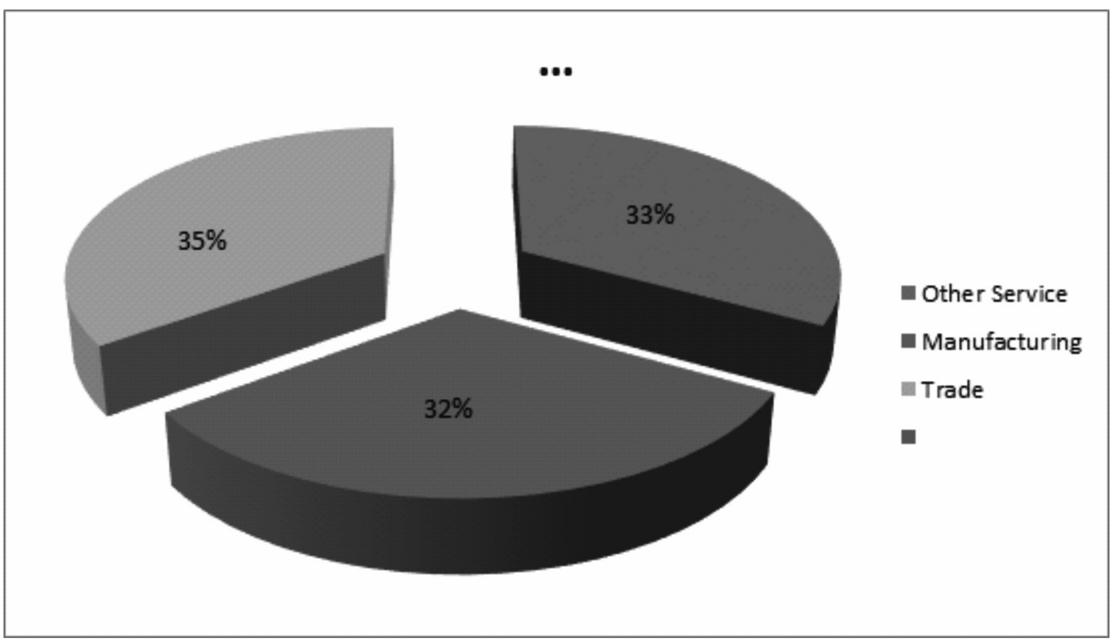
Source: Annual Report on MSME 2023-24

Share of Udyam Registration of MSME(sectorwise)



Source: Annual Report on MSME 2023-24

Distribution of employment in MSME sector (category wise)



Source: Annual Report on MSME 2023-24

There are wide range of service industry of MSMEs offering an appealing opportunity to grab the local as well as global market:

1. **Information technology and software:** From developing mobile apps to providing IT solutions, the IT and software industry is a rapidly growing sector with numerous MSME businesses.

2. **Tourism and hospitality:** From cozy homestays to local travel agencies, the tourism and hospitality industry thrives on the dedication of MSME businesses.
3. **Education and healthcare:** From preschools to clinics, MSME businesses play a vital role in providing essential education and healthcare services to communities.
4. **Retail and wholesale trade:** From local grocery stores to online fashion boutiques, retail and wholesale trade businesses bring convenience and variety to daily life.
5. **Professional services:** From accounting firms to legal consultancies, professional service businesses provide valuable expertise to individuals and organizations.

Impediments effecting the level of customer satisfaction and service quality overseas

Micro, Small and medium-sized enterprises (MSMEs) are crucial for economies, mainly in emerging nations. They account for almost 50% of jobs and 90% of the enterprises globally, with formal SMEs accounting for upto 40% of GDP in emerging economies. (Committee,2022). But with all these ongoing contribution they are lacking at some part which are the root cause of their slow growth rate and making them incapable to perform well at global pace. The satisfaction level of the customers and the expected quality of the service are also effectingin in reverse direction. Due to which they are downsizing the market share and loosing the customer faith and confidence also. The in-depth analysis of the gathered information and other secondary sources, the researcher are highlighting the major problems facing by the MSMEs both at national and overseas level -

1. Lack of skilled workforce and professionalism

The MSMEs are deficient with the trained and skilled workforce. They are not incorporating the innovative methods of production. The skill developmental schemes conducted by the government are not sufficient. The training and development programs are also not enough to make them capable of becoming independent decision makers.

2. Low level of technological adoption

The various units of MSMEs are working with the outdated and obsolete technology. They are not aware with the updated trends of technologies which are hampering their production level. Due to which they are not able to maintain a balance between demand and supply globally.

3. Immense competition

The MNCs operating in the market are creating touch environment at international level. They are working with effective planning and policies with good infrastructural support. By providing quality service they are gaining more customer confidence than the MSMEs.

4. Lack of access to market

The various units of MSMEs are not having required and updated information to approach the market segment in an appropriate way. They are not having sufficient resources to know their prospects and related tastes & preferences, so that they could perform accordingly and gain considerable margins by delighting them.

5. Poor regulatory compliance

The laws maintained by the statutory bodies to benefit the all manufacturing and service concern are very complex and compliance with these laws are practically difficult .They are not able to take independent decision and have to depend on the factory commissioner and inspector. Several regulatory issues have been identified over time, including problems like tax compliance and changes to labor laws which have ended up costing the MSME sector dearly.

6. Facing financial crunch

The MSMEs are facing lot of financial issues regarding availability of sufficient funds for their operations. The cost of credit or fund in the market are quite high so that they can't afford that as their margins are also low. They have to face burdensome formalities for getting the loan from the bank.

Suggestions in improving the level of customer satisfaction & quality service to expand the MSMEs market globally-

1. Providing promising financial alternatives

The financial difficulties should be removed by working with the banks to reduce the complex paper formalities so that the MSMEs could be able to access the best financial options and avail them timely. The micro finance schemes, creditworthiness programs and credit assurance for MSMEs loans could be a way better for their performance at global level.

2. Redefine the regulatory measures

Government should develop a comprehensive yet simplified compliance framework specifically for service sector MSMEs. This could involve creating defined formal structure where MSMEs businesses face fewer regulatory requirements, gradually increasing as they grow. Regular training sessions and helpline portals can further support businesses in understanding and meeting their obligations to operate effectively in international market.

3. Framing effective competitive policies

An active market intelligence system for MSMEs can help them better understand and respond to competition and lead a market segment. This could involve creating a centralized database with information on market trends, consumer preferences, and competitor strategies across various sectors. Export Promotion Initiatives can help MSMEs compete on a global scale. The government could offer services like market research, logistics support, and compliance assistance. Training programs on international trade practices, quality standards, and cross-cultural business etiquette can prepare service based MSMEs for global markets and helpful in gaining more customer confidence.

4. Supportive professional services and training programes

Creating a scheme to subsidize professional services for service industry of MSMEs can encourage the adoption of professional practices. A panel of pre-approved service providers could be established to ensure quality. By launching various management development programs and corporate governance guidelines could help them to understand the global market strategies in well manner.Development of a better communication strategy and use of trending media sources can be achieved by establishing training and development awareness schemes.

5. Technological upgradation

A comprehensive list of updated technologies should be prepared and made available according to the requirement of service based MSMEs. Obsolete and outdated production techniques are the root cause of low productivity backed by poor quality.

Creating a dedicated technology upgrade fund for MSMEs can help businesses adapt to technical changes, focus more on quality product and deliverexpected services to the customers. This fund could offer low-interest loans or grants for purchasing new equipment, and software in order to meet global demand effectively.

6. Development of academic institution for R&D

For adoption of innovative approach and collaborate with the dynamic trends of the market and analysis of the customer tastes and preferences, the academic institutes offering R&D activities, innovation incubation centres and collaborative research programs must be conducted for entrepreneurs of service sectors.

7. Updated infrastructural support

Developing dedicated industrial parks for MSMEs can address multiple infrastructure challenges. These parks could offer reliable power supply, high-speed internet, common effluent treatment plans, and shared logistics facilities.MSME focused industrial park and Public private partnership for infrastructural development can bring in much-needed capital and expertise while ensuring the infrastructure meets the specific needs of service based MSMEs.

Government Schemes and Incentives for MSMEs to provide support at global level

The Government of India has introduced several schemes and incentives to support and promote the growth of MSMEs globally. Some prominent government schemes and incentives for MSMEs in India include:

1. **Prime Minister's Employment Generation Program (PMEGP):** Provides financial assistance for setting up new micro-enterprises and generating employment opportunities.
2. **Credit Linked Capital Subsidy Scheme (CLCSS):** Offers a subsidy on the capital investment in upgrading technology and machinery for MSMEs.
3. **Interest Subsidy Scheme on Export Credit:** Provides interest subsidies to MSMEs on export credit for promoting exports.
4. **National Small Industries Corporation (NSIC) Schemes:** Offers various schemes for MSMEs, including raw material assistance, marketing support, and export promotion.
5. **Startup India:** A flagship initiative supporting startups with various benefits such as tax exemptions, self-certification, and access to funding and mentorship.

Conclusion

During past decades, service based MSMEs are performing significantly to boost up GDP level, industrial growth and employment generation in the nation's economy as well as at international level.MSME holds significant advantages for businesses operating in the service industry.It provides them with access to government support, financial benefits and promotional measures.The share of service industry of MSMEs in export has substantially increased in few years. The IT sector, education, hospitality and tourism industry are moving a step ahead to lead this segment. With the effective measures in dismantling various bottlenecks like lack of technology-based production activities and low investment in R&D, the government is also taking forward steps and productive initiativesin the area of financial assistance, easy and transparent regulatory reforms,introducing effective training and development schemes to foster them in order to competete globally and reap out the large segment of the contented market. Globally available technology could be subsidised by the government so that the product quality of MSME players in service sector can be improved. It will support them in improving and serving the superior quality product at reasonable rate. These variables then contribute in gaining customer faith and holding a satisfied segment of the patrons.

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ACCESS OF MICROFINANCE AND CREDIT: EMPOWERING INDIAN MSMEs FOR SUSTAINABLE GROWTH

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ABSTRACT

Micro, Small, and Medium Enterprises (MSMEs) form the backbone of India's economy, contributing significantly to employment, exports, and GDP. Despite their critical importance, access to microfinance and credit remains a persistent challenge, hindering their potential for sustainable growth. This paper provides an analytical analysis of the barriers to financial inclusion faced by Indian MSMEs, supported by relevant data, examines the socio-economic impacts of these challenges, and explores innovative approaches to bridge the financing gap. Through a review of policies, schemes, and case studies, the research proposes actionable solutions for empowering Indian MSMEs.

INTRODUCTION

MSMEs are key drivers of India's economic development, accounting for nearly 30% of the GDP and employing over 110 million people. Their agility and innovation are vital for fostering economic resilience. However, a significant proportion of Indian MSMEs face barriers in accessing timely and adequate financing, largely due to structural and systemic issues in the financial ecosystem. According to a report by the International Finance Corporation (IFC), the credit gap for Indian MSMEs is estimated at INR 25.8 trillion, with over 80% of enterprises underserved.

THE ROLE OF MSMES IN INDIA'S ECONOMIC GROWTH

MSMEs play a crucial role in:

1. **Job Creation:** Providing employment opportunities to over 110 million people, accounting for approximately 40% of India's workforce.
2. **Export Contribution:** Contributing nearly 48% to India's total exports, valued at INR 18.12 lakh crore in FY 2021-22.
3. **Economic Diversification:** Enabling regional development and reducing income inequalities.
4. **Innovation and Entrepreneurship:** Over 11.2 million MSMEs in India are involved in innovative product development.

Despite these contributions, MSMEs' growth potential remains underutilized due to financial constraints.

CHALLENGES IN ACCESSING MICROFINANCE AND CREDIT

1. **Inadequate Collateral:** Many MSMEs lack tangible assets to offer as collateral, restricting their ability

to secure loans. Reports show that over 70% of MSMEs rely on informal credit sources due to this limitation.

2. **Insufficient Credit History:** A survey by the Small Industries Development Bank of India (SIDBI) highlights that 45% of MSMEs operate without formal financial records, complicating credit assessments.
3. **High Cost of Credit:** Interest rates for MSMEs range from 12% to 18%, significantly higher than the rates for large enterprises, deterring borrowing.
4. **Bureaucratic Inefficiencies:** Over 60% of surveyed MSMEs cite lengthy application processes and lack of transparency as major hurdles in accessing formal credit.
5. **Digital Divide:** A report by the Reserve Bank of India (RBI) indicates that less than 30% of MSMEs utilize digital tools for financial transactions, limiting their access to digital lending platforms.

SOCIO-ECONOMIC IMPACTS OF FINANCIAL EXCLUSION

1. **Stalled Growth:** Financial exclusion has resulted in over 20% of MSMEs operating below capacity.
2. **Employment Losses:** A study by CRISIL estimates that the lack of financing led to the loss of 3 million jobs in the MSME sector during the pandemic.
3. **Regional Inequality:** MSMEs in rural areas receive only 10% of formal credit, exacerbating regional disparities.
4. **Missed Opportunities:** Approximately 25% of MSMEs fail to capitalize on market opportunities due to funding constraints.

ADDRESSING THE FINANCING GAP: ANALYTICAL INSIGHTSGOVERNMENT SCHEMES

1. Pradhan Mantri MUDRA Yojana (PMMY):

Government of India launched the Pradhan Mantri Mudra Yojana in 2015. The scheme seeks to fill the credit gaps in small, micro and tiny enterprises to spur economic activity. The scheme enables loans to income generating micro enterprises that are engaged in manufacturing, trading and other professional services for up to INR 10 lakh.In consonance with the funding needs of the borrowers, the MUDRA loans can be sought at Scheduled Commercial banks (Public Sector and Private Sector Banks), Non-Banking Financial Company (NBFC), Microfinance institutions (MFIs) and Small Finance Banks (SFBs).

Since the launch in 2015, the scheme has reached out to 34.93 crore Micro and Small Entrepreneur Accounts and provided credit support amounting to approximately INR 18.39 lakh crore. In terms of the overall performance, the scheme target allocations exhibit a cumulative aggregate growth rate (CAGR) of around 16 per cent across the years with the sanctions increasing at 18 per cent CAGR. However, the amount sanction for the FY 2021 shows a reduction of 5 per cent from INR 3,37,496 crore to INR 3,21,759 crore, which may be attributed to reduced borrowing during the COVID-19 pandemic.

Scheme Design

i. Ceiling of 15% on pay out under CGFMU is not feasible and restricts benefits of the banks
ii. Guarantee fee charged (the Standard Basic Rate (SBR) of 1 per cent p.a. of sanctioned amount on Micro Loans) is not economical and reported to be high by many banks

iii. Mostly the Public Sector Banks avail the benefit under the Guarantee Cover whereas for the other MLI types, the signup for the cover is very low

iv. Complex (XML format, errors made not easily rectifiable, takes a lot of time to upload), and lengthy claim settlement process (only after the second loss) under CGFMU

v. The refinancing rates under Mudra are considered high by a few banks and hence the refinancing obligation to avail benefits under Mudra is not economical for some banks

vi. Lack of collateral increases the security risk for MFIs and develops fear of NPA in banks

PERFORMANCE OF PRADHAN MANTRI MUDRA YOJANA, PMMY

Launched in 2015, PMMY seeks to fill the credit gaps in small, micro and tiny enterprises to spur economic activity.6 The scheme enables loans to income generating micro enterprises that are engaged in manufacturing, trading and services up to INR 10 lakh. 5 In consonance with the funding needs of the loanee, the MUDRA loans can be sought at banks, Non-Banking Financial Company (NBFC) and Microfinance institutions (MFIs).

The loans are provided across three categories. These categories, given below, are based on the business life cycle that the loanee enterprise might be currently is in.

- Shishu: loans up to INR 50,000
- Kishore: loans from INR 50,001 to 5,00,000
- Tarun: loans from INR 5,00,001 to 10,00,000

Since its inception, the scheme has reached out to 34.93 crore MSE Borrower Accounts and provided credit support of INR 18.39 lakh crore.5 PMMY in tandem with other scheme and initiatives is contributing to meet the credit needs of the sector.In terms of performance, it is seen that the scheme target allocations exhibit an average growth of 16 per cent across the years and the sanctions increased at 18 per cent. However, the amount sanction for the year 2020- 21 shows a reduction of 5 per cent, this may be attributed to reduced borrowing during the COVID-19 pandemic. The table below shows that over the years the scheme has achieved about 98 per cent of its target.

Table 1: Scheme target achievement since inception

Year	Target (INR Cr.)	Sanctioned (INR Cr.)	Disbursements (INR Cr.)
2015-16	122,000	137,449	132,955
2016-17	180,000	180,529	175,312
2017-18	244,000	253,677	246,437
2018-19	300,000	321,723	311,811
2019-20	325,000	337,496	329,715
2020-21	350,000	321,759	311,754
2021-22	306,000	339,110	331,402

Source: Annual Reports, Ministry of MSME, Government of India

Table 2: Overall performance of the scheme

Year	No. of A/c	Amt. sanctioned (INR Cr.)	Amt. disbursed (INR Cr.)
2015-16	34,880,924	137,449	132,955
2016-17	39,701,047	180,529	175,312
2017-18	48,130,593	253,677	246,437
2018-19	59,870,318	321,723	311,811
2019-20	62,247,981	337,496	329,715
2020-21	50,735,046	321,759	311,754
2021-22	53,795,526	339,110	331,402
Overall	349,361,060	1,891,743	1,839,387

Source: MUDRA Ltd.

2. Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE)

The transformative journey of CGTMSE has begun with change of its logo…the new logo a "colorful flying bird" depicts giving wings to entrepreneurial zeal of millions of youths of this great country who are having bankable business ideas but lack collateral security and / or third-party guarantee to access credit from formal source… here CGTMSE extends them helping hand by providing guarantee to enable them access credit leading to setting up viable micro and small enterprises. Thereby transforming them from job seekers to job providers and meaningfully contribute in nation building.

Availability of bank credit without the hassles of collaterals / third party guarantees would be a major source of support to the first-generation entrepreneurs to realise their dream of setting up a unit of their own Micro and Small Enterprise (MSE). Keeping this objective in view, Ministry of Micro, Small & Medium Enterprises (MSME), Government of India launched Credit Guarantee Scheme (CGS) so as to strengthen credit delivery system and facilitate flow of credit to the MSE sector. To operationalise the scheme, Government of India and SIDBI set up the Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE).

During FY 2022-23, for all the Schemes, a total of 21,90,412 guarantees were approved for an amount of ₹1,06,474 crore. Cumulatively, as on March 31, 2023, a total of 1,10,83,693 accounts have been accorded guarantee approvals for ₹4,24,596 crore by CGTMSE under all the guarantee schemes.

Fintech Innovations: Fintech firms, such as Lendingkart and Razorpay, processed over INR 50,000 crore in digital loans for MSMEs in FY 2022, showcasing their potential to bridge the credit gap.

3. Credit Linked Capital Subsidy for Technology Upgradation (CLCSS)

To facilitate technology to MSEs through institutional finance for induction of well-established and proven technologies in the specific and approved 51 sub-sector/products. Both upgradation projects (with or without expansion) and new projects are eligible.Any Micro and Small Enterprise (MSE) having valid Udyam Registration and availing institutional credit to buy new Plant & Machinery approved under the scheme. • Special Benefits are applicable in case of SC/ST, Women, NER / Hill States / Aspirational Districts /LWE Districts. The subsidy shall be admissible for investment in acquisition /replacement of Plant & Machinery / equipment's & Technology up-gradation of any kind (Core plant & Machinery). Second hand & fabricated will not be eligible.Upfront subsidy of 15% on institutional Credit upto Rs. 1.0 Crore (i.e. subsidy cap of Rs.

15.00 lakh) for identified sectors/ subsectors/ technologies. However, to be considered as eligible, for special benefits there is no restriction for identified sectors.

4. Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE)

Ministry of Micro, Small and Medium Enterprises and Small Industries Development Bank of India (SIDBI) together established the Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE). CGTMSE is established in order to implement a credit guarantee scheme for MSMEs.The Government of India and SIDBI contribute to the corpus of this scheme. The whole idea behind this trust is providing financial assistance to the small and medium industries without any third-party guarantee or collateral. The guarantee coverage under this scheme ranges from 85% for Micro Enterprise (up to Rs 5 lakh), 75% for others and 50% for retail activity.

Both existing and new enterprises are eligible under the scheme. The candidates meeting the eligibility criteria may approach banks or financial institutions and select Regional Rural Banks which are eligible for getting assistance under this scheme.The guarantee cover available under the scheme is to the extent of 50%/75%/ 80% or 85% of the sanctioned amount of the credit facility. For micro-enterprises up to 5 lakhs, the extent of guarantee cover is 85%.The extent of guarantee cover is 50% of the sanctioned amount of the credit facility for credit from 10 lakhs to 100 lakhs per MSME borrower for retail trade activity. In case of default, the trust settles the claim up to 75% of the amount in default of the credit facility, which is extended by the lending institution for credit facilities up to 200 lakh.

5. MSME Loan Scheme 2024

The Micro, Small and Medium Enterprises (MSMEs) need funding to establish and grow. The Government of India has taken many steps and launched many schemes to provide credit to MSMEs. MSMEs contribute significantly to our country for building a strong economy. One of the key aspects of MSMEs is access to credit. MSMEs require credit or funding to establish the business or the expansion of the business.

To provide credit facilities for the MSMEs, the Government of India has come up with many loan schemes, and even the banking sector and financial institutions grant loans to them. Some of the well-recognized MSME loan schemes of 2023, popular due to the business getting disrupted due to COVID-19, are discussed below.

6. Prime Minister's Employment Generation Programme (PMEGP)

The Prime Minister's Employment Generation Programme (PMEGP) is a merger of two schemes of Prime Minister's Rojgar Yojna (PMRY) and Rural Employment Generation Programme (REGP). This scheme focuses on generating self-employment opportunities to the unemployed youth and traditional artisans through micro-enterprise establishments in the non-farm sector. It is executed by the Khadi and Village Industries Commission (KVIC) which functions as the nodal agency for this scheme at the national level.

At the state level, this scheme is implemented through the State KVIC Directorates, District Industries Centres (DICs), State Khadi and Village Industries Boards (KVIBs), and banks. Under this scheme, the KVIC routes government subsidy through designated banks for eventual disbursal to the entrepreneurs or beneficiaries directly into their bank accounts.Any individual/s who is/are above 18 years of age is/are eligible. The individual/s should be at least VIII standard pass for the projects, in the manufacturing sector which cost above Rs.10 lakh and in the business or service sector which cost above Rs. 5 lakhs.

Under this scheme, only the new projects are considered for sanction. Self Help Groups, Institutions registered under Societies Registration Act, 1860, Production-based Co-operative Societies, and Charitable Trusts are also eligible.

Any unit/s existing under PMRY, REGP or any other scheme of Government of India or State Government are not eligible. Even the units that have already availed Government Subsidy under any other scheme of Government of India or State Government are not eligible.

The maximum cost of the project or unit admissible in the manufacturing sector is Rs.25 lakhs and in the business or service sector is Rs.10 lakhs for assistance under this scheme.

The beneficiary's rate of the subsidiary for the general category is 15% in urban areas and 25% in rural areas. The beneficiary's rate of the subsidiary for the special category is 25% in urban areas and 35% in rural areas.

7. Credit Linked Capital Subsidy Scheme (CLCSS)

The Credit Linked Capital Subsidy Scheme (CLCSS) renders a subsidy for technology upgradation to the MSMEs. This scheme provides 15% subsidy for additional investment up to Rs.1 crore for technology upgradation by MSMEs. Technology upgradation means induction of state-of-the-art or near state-of-the-art technology.

The candidates meeting the eligibility criteria may approach 12 nodal banks or agencies to avail the subsidy under this scheme. These 12 nodal banks or agencies are SIDBI, NABARD, SBI, BoB, PNB, BOI, SBBJ, TIIC, Andhra Bank, Corporation Bank, Canara Bank and Indian Bank.

Eligibility – Any MSME unit is eligible under this scheme. But the units replacing existing equipment or technology with the same equipment or technology will not qualify for a subsidy under this scheme. Similarly, the units upgrading with used machinery would not be eligible under this scheme.

Nature of Assistance – This scheme aims at facilitating technology upgradation by providing 15% upfront capital subsidy to MSMEs on institutional finance availed by them. This subsidy is provided to MSMEs for induction of well-established and improved technologies in specified sub-sectors or products approved under the scheme.

This scheme provides an upfront subsidy of 15% on institutional credit up to Rs.1 crore (i.e. a subsidy cap of Rs.15 lakh) for identified sectors/subsectors/ technologies.

8. Equity Infusion for MSMEs through Fund of Funds

MSMEs face a severe shortage of equity. Venture Capital (VC) or Private Equity (PE) firms offer early-stage funding, but very few of them provide growth-stage funding. To encourage MSMEs to grow and get listed on stock exchanges, the Fund of Funds provides equity funding for MSMEs who have growth potential and viability.

This scheme will be able to intermediate different types of funds into underserved MSMEs and address the growing needs of viable and high growth MSMEs with the intervention of the government.

Eligibility – All MSMEs are eligible. MSMEs can apply through Investor Funds onboarded and registered with the proposed Fund of Funds.

Nature of Assistance – The Government of India will support VC or PE firms in investing in commercially viable MSMEs for meeting their growth requirements. The proposed fund of funds will encourage private sector investments in the MSME with leverage of Rs.50,000 crore.

9. SIDBI Make in India Loan for Enterprises (SMILE)

The SIDBI Make in India Loan for Enterprises (SMILE) is intended to take forward the Government of India's 'Make in India' campaign and help MSMEs take part in this campaign. This scheme provides a soft loan in the nature of quasi-equity. It also provides term loans on relatively soft terms to MSMEs to meet the required debt-equity ratio for their establishment. It also provides loans to the existing MSMEs to pursue opportunities for their growth.

Eligibility – New enterprises in the manufacturing and the services sector is covered under this scheme. The existing enterprises undertaking expansion for taking advantage of the new emerging opportunities are eligible under this scheme. This scheme will also cover the existing enterprises undertaking expansion for undertaking modernization, technology upgradation or other projects for growing their business. Under this scheme, the emphasis is given to financing smaller enterprises within MSME.

Nature of Assistance – The minimum loan size is Rs.10 lakh for equipment and finance. The minimum loan size for others is Rs.25 lakh. The repayment period is up to 10 years, including moratorium of up to 36 months.

10. MSME Business Loan for Startups in 59 Minutes

The Government of India recently announced to offer MSME Business Loan for Startups in 59 Minutes. A new web portal was launched to provide loans to MSMEs in 59 Minutes. The processing of the loans for MSMEs on this online portal is fully automated. This portal will process the loans within one hour. After the loan is approved through this portal, the loan is disbursed to the applicant of the loan in the next seven or eight working days.

This scheme aims at automation and digitisation of various processes of business loans offered, which includes the term loans, working capital loans and mudra loans.

Eligibility – Any existing business or MSMEs which wants to apply for a business loan (term loan/ working capital loan) in-principle approval is eligible. The business should be IT compliant and must have a six months Bank Statement Facility.

Both GST registered as well as not-registered businesses are eligible. If any business not registered with GST or has not filed ITR or does not have a bank statement applies for mudra loan, then the business can provide the related details by self-declaring the same.

The income or revenue, repayment capacity, existing credit facility and any other factors as set by lenders determine the eligibility criteria of the borrowers. The portal is integrated with CGTMSE to check eligibility of borrowers.

Nature of Assistance - The business loan in-principal approvals are provided from Rs.1 lakh to Rs.5 crores. The loans are provided with or without collateral. The rate of interest starts from 8.5% onwards. The mudra loan in-principal approvals are provided from Rs.10,000 to Rs.10 lakh.

Recommendations for Policy and Practice

i. **Streamline Credit Processes:** Simplify application and disbursement procedures for MSMEs.
ii. **Expand Digital Infrastructure:** Invest in broadband and digital literacy to integrate MSMEs into the digital financial ecosystem.

iii. **Strengthen Collaboration:** Foster partnerships between banks, NBFCs, and fintech firms to expand the credit ecosystem.

iv. **Enhance Monitoring and Evaluation:** Implement robust mechanisms to assess the effectiveness of government schemes and make data-driven adjustments.

Conclusion

Empowering Indian MSMEs through improved access to microfinance and credit is imperative for achieving inclusive and sustainable economic growth. Addressing systemic barriers, leveraging technology, and fostering a supportive policy environment can unlock the potential of MSMEs, enabling them to thrive in a competitive global market.

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EMPOWERING MSMEs: ADDRESSING CHALLENGES AND HARNESSING OPPORTUNITIES FOR INDIA'S ECONOMIC GROWTH

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ABSTRACT

This paper explores the essential role of Micro, Small, and Medium Enterprises (MSMEs) in driving India's economic growth, emphasizing their contributions to job creation, industrial development, and regional economic balance. Globally, MSMEs make up 99% of business enterprises and have a substantial impact on India's GDP, industrial output, and exports, employing 60 million people across 28.5 million enterprises. Despite their significance, MSMEs encounter numerous challenges, such as difficulties in securing finance, accessing markets, and adopting new technologies. MSMEs contribute 8% to India's GDP, 45% to industrial production, and 40% to exports. However, many struggle with limited access to institutional finance, increasing raw material costs, and intense global competition.

The primary challenges faced by MSMEs include financial access, availability of skilled labor, market access, regulatory compliance, technology adoption, infrastructure, and supply chain disruptions. To support MSMEs, the government has introduced several initiatives, including Udyam Registration, the My MSME application, Direct Benefit Transfer programs, promotion of digital payments, MSME SAMADHAAN for resolving delayed payments, the Self-Reliant India Fund, public procurement policies, the Champions Portal, and skill development programs under UDYAMI BHARAT.The paper highlights the need for a holistic approach that involves government support, industry collaboration, capacity building, and market access to effectively address these challenges. It concludes that MSMEs are crucial for economic progress and require strategic policies and financial support to improve their resilience, competitiveness, and sustainability. Ensuring a continued focus on MSMEs is vital for promoting equitable economic growth and development.

Keywords: *MSME,economic growth, employment, challenges etc.*

Introduction

The Micro, Small, and Medium Enterprises (MSMEs) sector is a key driver of economic development in India, promoting entrepreneurship and significantly aiding industrialization, especially in rural and underdeveloped regions. Over the past fifty years, MSMEs have become a dynamic and vital part of the Indian economy. They play a crucial role in creating jobs at a lower capital cost than large industries and help reduce regional economic disparities by ensuring a fair distribution of income and wealth.

MSMEs are essential for employment, particularly as the public and private sectors struggle to meet the growing demand for jobs. Entrepreneurship in this sector provides a crucial solution for millions of job seekers. However, many MSMEs face challenges, especially in securing finance. The Twelfth Five Year Plan highlights the critical need for credit in fostering MSME growth, noting that many lack access to formal financial institutions. A study by IFC and McKinsey found that 45-55% of formal MSMEs in emerging markets are excluded from institutional finance, with the situation being worse for micro and informal enterprises, where 65-72% lack credit access.

The MSME sector contributes 8% to India's GDP, 45% to industrial production, and 40% to exports, employing 60 million people across 28.5 million enterprises. The sector has outpaced the overall industrial sector in growth over the past decade. Despite challenges like rising raw material costs and global competition, MSME exports are increasing. The sector produces a wide range of products, from consumer goods to sophisticated finished products, including electronics and pharmaceuticals.

Globally, MSMEs constitute over 90% of total business enterprises and play a significant role in employment and industrial output. In India, the sector's adaptability and innovation have helped it weather economic downturns and recessions. Increased attention from the government, corporations, and banks on policy changes, investments, and globalization has opened up many opportunities for MSME growth, further highlighting their essential role in the Indian economy.

Classification of MSME

Classification	Manufacturing and Service Sector	
	Investment	Turnover
Micro Enterprises	Less than 1 crore	Less than 5 crores
Small Enterprises	Less than 10 crores	Less than 50 crores
Medium Enterprises	Less than 20 crores	Less than 100 crores

Source: Annual report (2022-2023), Government of India Ministry of Micro, Small and Medium Enterprises

Objectives

1. To evaluate the role of MSMEs in the Indian economy.
2. To assess the impact of Indian MSMEs on employment generation.
3. To examine the different challenges faced by Indian MSMEs
4. To find out recent development for upliftment of MSME sector in India

Literature Review

The literature highlights the crucial role of MSMEs in economic growth, job creation, and innovation, contributing significantly to GDP, industrial output, and exports (Dahale Shweta et al., 2015). Despite their importance, MSMEs face numerous challenges, particularly in accessing finance, adopting advanced technologies, and obtaining skilled labor. Inherent risks and unattractive investment profiles make MSMEs less appealing to investors, leading to high-interest rates, stringent collateral requirements, and poor financial management

(Saini J S et al., 2018; Biswajit Bose, 2013). Studies emphasize a significant gap between the demand for and supply of credit, with issues of accessibility and availability hindering MSME growth. Government initiatives, institutional support, and tailored financial products are critical for overcoming these barriers, enhancing financial inclusion, promoting technology adoption, and fostering skill development (Dahale Shweta et al., 2015; Rajamani K. et al., 2022). Cluster development programs can also improve community life and product efficiency, fostering rural-urban economic interdependence and reducing forced migration (Santosh Kumar Munda &Sukhamaya Swain, 2014). Despite strategic reorientations in industrial policy, access to institutional credit remains insufficient, and pro-market financial inclusion initiatives, such as the MUDRA scheme, have had limited impact. Addressing these persistent and emerging challenges is essential for sustainable MSME growth and economic development (Tara Nair & Keshab Das).

Table 1: Estimated Number of MSMEs (Number in lakh)

Activity Category	Estimated Number of Enterprises (in lakh)			Share
	Rural	Urban	Total	
Manufacturing	114.14	82.50	196.65	31
Electricity	0.03	0.01	0.03	0
Trade	108.71	121.64	230.35	36
Other Services	102.00	104.85	206.85	33
All	324.88	309.00	633.88	100

Source: Annual report (2022-2023), Government of India Ministry of Micro, Small and Medium Enterprises

In India, MSMEs play a critical role in generating substantial job possibilities at a cheaper capital cost than large businesses. Additionally, they support the industrialization of underdeveloped and rural areas, which lessens regional disparities and ensures a more equitable distribution of wealth and income across the country. The National Sample Survey Office of the Ministry of Statistics & Programme Implementation conducted the 73rd round of the National Sample Survey (NSS) in 2015–16, and the results showed that there were 63.388 million unincorporated non-agricultural MSMEs involved in a variety of economic activities. The figures for Manufacturing were 19.665 million, for Non-Captive Electricity Generation and Transmission 0.03 million, for Trade 23.035 million, and for Other Services 20.685 million.

This does not include MSMEs registered under the Companies Act of 1956, Section F of the National Industrial Classification (NIC) 2008, or Sections 2m(i) and 2m(ii) of the Factories Act of 1948.

Table 2: Distribution of Enterprises Category Wise (Number in lakh)

Sector	Micro	Small	Medium	Total	Share (%)
Rural	324.09	0.78	0.01	324.88	51
Urban	306.43	2.53	0.04	309.00	49
All	630.52	3.31	0.05	633.88	100

Source: Annual report (2022-2023), Government of India Ministry of Micro, Small and Medium Enterprises

With an estimated 63.052 million businesses, the micro sector accounts for more than 99% of all MSMEs. 331,000 MSMEs in the small sector and 5,000 MSMEs in the medium sector make up 0.52% and 0.01% of all MSMEs, respectively. 32.488 million (51.25%) of the anticipated 63.388 million MSMEs are found in rural areas, and 30.9 million (48.75%) are found in urban areas.

Table 3: Percentage Distribution of Enterprises in rural and urban areas [(Male/ Female ownership) category wise] (Number in lakh)

Sector	Male	Female	All
Rural	77.76	22.24	100
Urban	81.58	18.42	100
All	79.63	20.37	100

Source: Annual report (2022-2023), Government of India Ministry of Micro, Small and Medium Enterprises

The table presents the distribution of a population by gender and residential sector (rural and urban). In rural areas, males constitute 77.76% of the population, while females make up 22.24%, leading to a total of 100%. In urban areas, the proportion of males is slightly higher at 81.58%, with females comprising 18.42%, again totalling 100%. When considering the entire population across both sectors, males account for 79.63%, and females represent 20.37%, summing up to 100%. This data suggests a higher percentage of males compared to females in both rural and urban areas, with the disparity being more pronounced in urban regions.

Table 4: Percentage distribution of enterprises owned by Male/ Female entrepreneurswise (Number in lakh)

Category	Male	Female	All
Micro	79.56	20.44	100
Small	94.74	5.26	100
Medium	97.33	2.67	100
All	79.63	20.37	100

Source: Annual report (2022-2023), Government of India Ministry of Micro, Small and Medium Enterprises

Sixty-eight million MSMEs, or 95.98% of the total, had proprietary issues. These proprietary MSMEs were predominantly owned by men; 79.63% of the businesses were owned by men, compared to 20.37% by women. Both urban and rural areas showed the same pattern, with male ownership being slightly greater in urban areas (81.58%) than in rural areas (77.76%).

Contribution of MSMEs in Employment

Table 5: Estimated Employment in the MSME Sector (Activity Wise)

Broad Activity Category	Employment (in lakh)			Share (%)
	Rural	Urban	Total	
Manufacturing	186.56	173.86	360.41	32
Electricity	0.06	0.02	0.07	0
Trade	160.64	226.54	387.18	35
Other Services	150.53	211.69	362.22	33
All	497.78	612.10	1109.89	100

Source: Annual report (2022-2023), Government of India Ministry of Micro, Small and Medium Enterprises

The 73rd round of the National Sample Survey (NSS), which was carried out in 2015–16, indicates that the MSME sector in India has produced 11.10 crore jobs in both rural and urban areas. This comprises 387.18 lakh employment in trade, 362.82 lakh jobs in other services, 0.07 lakh jobs in non-captive electricity generation and transmission, and 360.41 lakh jobs in manufacturing.

Table 6: Distribution of employment by type of Enterprises in Rural and Urban Areas (Number in lakh)

Sector	Micro	Small	Medium	Total	Share (%)
Rural	489.30	7.88	0.60	497.78	45
Urban	586.88	24.06	1.16	612.10	55
All	1076.19	31.95	1.75	1109.89	100

Source: Annual report (2022-2023), Government of India Ministry of Micro, Small and Medium Enterprises

The Micro sector employed 1076.19 lakh people, or around 97% of all MSME sector employment, with an estimated 630.52 lakh companies. By contrast, the employment of 31.95 lakh persons (2.88% of all MSME employment) was supported by the 3.31 lakh estimated Small-sector firms, while 1.75 lakh individuals (0.16% of all MSME employment) were employed by the 0.05 lakh estimated Medium-sector enterprises.

Table 7: Distribution of employment by type of Enterprises in Rural and Urban Areas

Sector	Micro	Small	Medium	Total	Share (%)
Rural	489.30	7.88	0.60	497.78	45
Urban	586.88	24.06	1.16	612.10	55
All	1076.19	31.95	1.75	1109.89	100

Source: Annual report (2022-2023), Government of India Ministry of Micro, Small and Medium Enterprises

The employment distribution in rural and urban areas for the Micro, Small, and Medium-sized sectors is shown in the table, along with their corresponding shares of total employment. 497.78 lakh jobs, or 45% of all jobs, are found in rural regions in the Micro sector, which employs 489.30 lakh people, the Small sector, which employs 7.88 lakh, and the Medium sector, which employs 0.60 lakh. Urban regions have 612.10 lakh jobs, or 55% of total employment, distributed among the Micro sector (586.88 lakh jobs), Small sector (24.06 lakh jobs), and Medium sector (1.16 lakh jobs). The micro sector contributes the most, followed by the small and medium sectors, with a total of 1109.89 lakh jobs across all sectors.

Table 8: Contribution of MSME sector in GDP

Year	Share of MSME GVA in All India GDP (in %)	Share of MSME Manufacturing Output in All India Manufacturing Output (in %)
2017-18	29.7%	37.4%
2018-19	30.5%	36.9%
2019-20	30.5%	36.6%
2020-21	27.2%	36.9%
2021-22	29.1%	36.2%

Source: Ministry of Micro, Small, and Medium Enterprises, contribution of MSME sector in GDP, posted on 8 February 2024 (PIB, India)

The table displays the economic impact of Micro, Small, and Medium-Sized Enterprises (MSMEs) in India during a five-year period, spanning from 2017–18 to 2021–2022. The MSME Gross Value Added (GVA) percentage of India's GDP varied over time, beginning at 29.7% in 2017–18, to a peak of 30.5% in 2018–19 and 2019–20, falling sharply to 27.2% in 2020–21—possibly as a result of the COVID-19 pandemic—and then partially rebounding to 29.1% in 2021–22. From 37.4% in 2017–18 to 36.2% in 2021–22, the MSME manufacturing output share of the overall manufacturing output demonstrated a little but steady fall. This data illustrates the important role that MSMEs play in the manufacturing sector and in the economy as a whole, while also highlighting the effects of the pandemic's economic disruptions.

Challenges faced by MSME in India

MSMEs are crucial to the Indian economy, contributing to innovation, exports, and job creation. However, they often face obstacles in expanding and becoming viable. Despite government and financial institutions' efforts to improve credit availability, there is a significant gap between the supply and demand of credit in the MSME sector. Other factors, in addition to finance, also hinder the sector's development.

1. **Financial Challenges:** Due to high loan rates, strict collateral requirements, and complicated documentation, MSMEs have difficulty obtaining financing. Their capacity to innovate, grow their business, and make technological investments is hampered by these issues. Even while the government offers affordable credit through programs like the Pradhan Mantri Mudra Yojana and the Credit Guarantee Fund Trust for Micro and Small Enterprises, more access to financing is still required, especially for smaller and more recent MSMEs.
2. **Skill manpower:** The government must create an integrated model for educational institutions and businesses to improve students' practical knowledge and industry-specific skills in order to support long-term growth and competitiveness in the MSME sector, which is beset by a shortage of skilled personnel.
3. **Market Access:** Lack of resources, lack of knowledge about the industry, and restrictions from competitors make it difficult for MSMEs to enter the domestic market. They find it difficult to break into both foreign markets and established supply chains. To assist MSMEs, the government has started programs like the Export Promotion Capital Goods Scheme and the National Export Strategy. These programs involve looking at e-commerce platforms, social media, partnerships, and trade show participation. The growth potential and income streams of MSMEs may be constrained by limited market access.
4. **Regulatory Compliance:** Compliance with labor, environmental, tax, and corporate governance regulations is a difficulty for MSMEs in India. The government has put in place programs like online portals and Ease of Doing Business, and expert service providers, sound governance principles, and frequent audits aid in navigating the complicated terrain.
5. **Technology Adoption:** Due to manual labor and antiquated technology, MSMEs find it difficult to adapt new technologies, which limits creativity and the size of their businesses. Collaborations with educational institutions, the use of digital technologies like cloud computing, and government programs like the Credit Linked Capital Subsidy Scheme and the Technology Upgradation Fund Scheme can all be beneficial.

6. **Infrastructure Constraints:** India wants to give MSME's access to first-rate infrastructure, yet private initiatives encounter infrastructure obstacles. Building more infrastructure must be prioritized in order to avoid production delays, higher expenses, and inefficiencies.

7. **Supply Chain Disruptions:** Due to shortages of raw materials, shipping delays, and changes in the market, MSMEs experience supply chain disruptions that affect production schedules, inventory management, and customer satisfaction. A comprehensive strategy including resource access, industry cooperation, capacity building, and government support is needed to address these issues. The long-term sustainability, competitiveness, and resilience of MSMEs can all be increased by overcoming these challenges.

Recent development to support MSMEs

1. **Udyam Registration:** Udyog Aadhaar has been replaced by Udyam Registration, an online registration system designed specifically for Micro, Small, and Medium Enterprises (MSMEs) in India. It offers advantages including finance, government programs, subsidies, tax breaks, and procurement preference while categorizing MSMEs according to investment and turnover standards. Udyam Registration encourages ease of doing business, transparency, and the expansion of MSMEs.

2. **My MSME application:** My MSME is a web-based application module that the Office of Development Commissioner (MSME) has released. It may be accessed via a mobile app. This enables business owners to develop their apps and monitor them via mobile devices. This module's goal is to facilitate businesses' access to a range of programs.

SI. No.	Name of the scheme	Benefit type	Total no. of beneficiaries (2022-23) (upto 31.12.2022)	Total Expenditure (Rs. crores) (2022-23) (upto 31.12.2022)
1.	ATI Scheme (Training Component)	In Kind	1674	0.871
2.	MPDA Grant to Khadi Institutions	Cash	89990	29.45
3.	Coir Vikas Yojana	Cash	775	45.789
4.	SFURTI SI	In Kind	2082765	384.509
5.	Prime Ministers Employment Generation Programme (PMEGP)	Cash	46808	1505.61
6.	Entrepreneurship and Skill Development Programme (ESDP)	In Kind	6312	2.55
7.	International Co-operation (IC) Schemes	Cash	56	6.87

Source: Annual report (2022-2023), Government of India Ministry of Micro, Small and Medium Enterprises

3. **Direct Benefit Transfer in the M/oMSME:** Direct Benefit Transfer (DBT) is a program in India aimed at improving the delivery system of welfare and subsidy schemes by re-engineering the process. It aims to simplify the flow of funds, ensure accurate beneficiary targeting, reduce fraud, and eliminate duplication. The Ministry has established a DBT cell for program execution, and schemes are categorized based on beneficiary type.

4. **Digital Payments:** In an effort to increase productivity and transparency, MSMEs are progressively implementing digital payment methods including Bharat QR, UPI, and BHIM. Initiatives to digitally

enable the MSME ecosystem, partnerships with government organizations, and a dedication to digital transformation—which aims to improve financial management and competitiveness—are what are driving this change.

5. **MSME SAMADHAAN:** The MSMED Act, 2006 covers delayed payments from purchasers to MSE suppliers. Sections 15–24 deal with this. Suppliers in all states and territories may contact the MSEFC if payment is not received within 45 days. In order to gather information and make it easier for people to file complaints about delayed payments online, the Ministry of MSME launched a portal in 2017. MSEs have submitted 1,32,058 applications totaling Rs. 33,519.44 crore since the program's inception. Within SAMADHAAN, a dedicated sub-portal has been established to monitor overdue payments from CPSEs.
6. **Self Reliant India:** Under the Aatma Nirbhar Bharat Package, the Indian government intends to create an INR 10,000 crore Fund of Funds for MSMEs. The Self-Reliant India (SRI) Fund seeks to overcome equity funding challenges and encourage corporatization while assisting venture capital and private equity enterprises in the MSME sector. The fund will assist MSMEs in expanding, dismantling obstacles, and rising to prominence worldwide. Involving the government will help direct funding toward underrepresented MSMEs, ensuring that the expansion requirements of high-growth and viable MSMEs are satisfied.
7. **Public Procurement Policy and MSME Sambandh Portal:** Central Ministries, Departments, and CPSEs are required by the Public Procurement Policy for Micro and Small Enterprises to purchase 25% of their total goods from MSEs, with a 3% allocation for female entrepreneurs. The Ministry of MSME created the MSME Sambandh Portal to help MSEs and government agencies communicate and work together.
8. **MSME SAMPARK:** On June 27, 2018, the Indian President unveiled the "MSME SAMPARK" job platform, which is open for registration to recruiters and job seekers. As of May 1, 2023, there were 6,469 recruiters and 4,80,511 trainees enrolled, and 49,415 resumes had been shared.
9. **Champions Portal:** The Champions Portal is an ICT system that the Indian Prime Minister unveiled to help MSMEs grow their businesses. The gateway offers assistance in areas such as talent development, market access, funding, and technology upgrades. It provides a forum for resolving issues that MSMEs encounter. The objective is to enhance their market competitiveness by assisting them in overcoming challenges and seizing fresh business possibilities.
10. **Special Measures Under Aatmanirbhar Bharat Abhiyaan:** The significance of Micro, Small, and Medium-Sized Enterprises (MSMEs) in the post-COVID-19 period has been recognized by the Indian Prime Minister. MSMEs receive substantial money and priority under the Aatmanirbhar Bharat Abhiyaan package, with the Ministry of MSME concentrating on their revival through credit-related programs and other announcements.
11. **Skill Training Eco-system of Ministry of MSME:** To address the need for skilled labor in a variety of industries, the Ministry of MSME's Skill Training Eco-system provides businesses with courses and programs for skill development. In order to close the skills gap in the MSME sector, it incorporates capacity building programs and synchronizes training courses with NSQF standards.
12. **UDYAMI BHARAT:** The Ministry of MSME launched the UDYAMI BHARAT initiative with the goal of assisting India's Micro, Small, and Medium-Sized Enterprises (MSME) industry. To assist MSMEs

in enhancing their performance and competitiveness, it offers crucial initiatives like market support, capacity building efforts, and skill development programs. The promotion of the MSME sector's noteworthy economic contribution to India is greatly aided by this program.

Conclusion

The Indian economy depends heavily on Micro, Small, and Medium-Sized Enterprises (MSMEs) because they create jobs, industrialize rural areas, lessen regional imbalances, and guarantee a more equitable distribution of wealth and income across the country. They address issues like poverty and unemployment, encourage regional growth, and offer job opportunities. A comprehensive strategy including government assistance, industry cooperation, capacity building, and access to resources and markets is required to improve their resilience, competitiveness, and sustainability. Financial institutions are crucial in helping MSMEs, thus policymakers should think carefully before creating and enforcing policies for them. MSMEs can perform better in terms of industrial output, exports, and GDP by addressing obstacles.

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THE CHALLENGES FACED BY MICRO, SMALL AND MEDIUM ENTERPRISES (MSMEs) IN INDIA

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ABSTRACT

The MSME is the soul of business in India because MSME sector is a major contributor in the growth of Indian economy. This sector also helps in industrial production, growth of GDP, Creation of employment, export earnings, divisional growth, economic diversification, infrastructural development and social welfare and stability. For a developing country like India, where labour is super abundant and capital is startle, the MSME sector is a major sources of employment for millions of people. The small enterprises are the second largest employer of human resources in India.

In this research paper an attempt is made to know the crucial rule of MSME sector in the economy of India. Although the Indian Government has taken many important steps for the development and assistance of MSMES, despite this the MSME sector is still facing many problems and challenges.

The objective of this study is to find out the various problems and challenges faced by MSME sector nowadays in India. It highlights the various aspects rated to problems of marketing, Finance, human resources, operation, technology and export palatial. These various problems and challenges are such as lack of sufficient funds, hardly acquire the raising funds on time, lack of technological skills, lack of latest infrastructure, complex documentation lack of proper consultancy support at right time, lack of innovative and research programmes, lack of ICT Literacy, lack of proper motivation for innovations, low quality production, demand of high remuneration in human resource, communication Gap, Complex Laws, lack of foreign quality certifications, bargaining and some badunfavourable polices etc. It also affairs various policy based solutions and suggestions to address issues that hinder the growth potential of MSME. It is believed that MSME sector significantly Contributes to generation in less developing areas because of the dominance of Labours intensive industries & minimum capital investments. This analysis involved both the qualitative & qualitative methods for a complete study of their complex problem.

Keywords: *MSME, Capital, Challenges, technology, finance.*

INTRODUCTION

The MSME, which stands for micro small and medium enterprises, are usually engaged in manufacturing and producing the goods and commodities. This sector is very important for the development of a nation economically and socially also because the micro, small andmedium enterprises provides higher job opportunities, bring innovation and faster innovation and promote exports in India.

According to a report, The MSME sector of India accounts for 50% al GDP and 40% al exports. In terms of job employment creation in India the MSME is at second partition after agriculture industries this sector also help large industries and contribute to creating a as per the micro, small and median enterprises development (SMED) Act 2006, The enterprise are classified into three categories on the Basis of size of industry –

1. **Micro enterprises –** That enterprises where the investment in the machinery, plant does nat exceed crore and the turnover does not exceed 5 crore.
2. **Small Enterprises –** That enterprise where the investment in plant machinery does not exceed 20 crore and the turnover does not exceed 100 crores.
3. **Medium Enterprises –** An enterprise where the investment in the plant machinery does not exceed 20 crores and the turnover does not exceed 100 crores.

The MSMES sector initiates broadly to the exports of products & commodities such as handicrafts, textiles, sports goods, leather goods and many more.Although highly contributes to generating employment, increased entrepreneurial skills, motivation of human resources and enterers, innovation, GDP growth, balanced regional development, economic diversification economic development, exportearnings, minimization of import and the development of private sector but still it suffers from several problems & difficulties.

The major problem is to acquire sufficient funds on night time without any complexities. The second major problem is back of latest technology and upgradation of it an right time. The human resource factory also suffers from lots of problems because of lack of need based training and development facilities for managerial and technical personnel. And the other side it become more difficult for MSME unites to fight the competition with the cheap and quality products of large enterprises become MSME units are small in size. There are multiple difficulties to operate smoothly the MSME units such as insufficient funds, Law risk many mint, insufficient nailing studies, poor infrastructure and the complex laws of labor. This type of major challenges make this sectors leescompetitivein the export market. In this research paper we are attempting to study about the problems and challenges of MSME sector which are related to finance, technology market operation, HR and export. And it is surely assumed that the MSME sector can highly contribute to create employment in developing and non-development are also because of the dominance of labor-intensive industries and a minimum sum of capital investment. But still the MSME sector is affected from various difficulties which are required to be sot out providing the affordable solutions timely so this sector can grow more smoothly. Because the MSME sector can further enhance its role in the economy of India. This research paper also provides some possible strategies to provide a more favorable environment to MSMEs so that with the implement of that this sector can smoothly operates and can grow more and more.

OBJECTIVES OF THE STUDY

1. To find out the problems and challenges faced& MSME sector in India.
2. To review the importance of the MSME sector in the economy of India.
3. To study the presentstatus of Indian MSMEs.
4. To suggest most effective efforts to provide more supporting and positiveenvironment to MSMEs in India.

LITERATURE REVIEW

Micro, Small, and Medium Enterprises (MSMEs) are the backbone of India's economy, contributing significantly to employment, production, and exports. However, despite their critical role, MSMEs face numerous challenges that hinder their growth and sustainability. This literature review explores the primary obstacles encountered by MSMEs in India, drawing from a range of academic and industry sources.

One of the most significant challenges for MSMEs in India is access to finance. Numerous studies have highlighted that MSMEs often struggle to secure adequate funding due to stringent lending criteria and a lack of collateral (Sidhu&Kaur, 2020). Traditional financial institutions are often reluctant to extend credit to MSMEs, viewing them as high-risk borrowers due to their perceived instability and limited financial history. This financing gap is further exacerbated by the limited awareness and utilization of alternative funding sources, such as venture capital, angel investors, and government schemes.

Another major challenge is the regulatory environment. The complex web of regulatory requirements, including labor laws, tax codes, and compliance mandates, imposes a substantial burden on MSMEs. As noted by Sharma and Tiwari (2019), the bureaucratic red tape and frequent changes in policies create an unpredictable business environment, making it difficult for MSMEs to plan and operate efficiently. This regulatory complexity not only increases operational costs but also diverts valuable resources away from core business activities.

The technological gap is also a critical issue for MSMEs in India. While large enterprises rapidly adopt advanced technologies to enhance productivity and innovation, MSMEs often lag due to limited resources and technical expertise (Raj &Sen, 2021). The lack of digital literacy and inadequate access to modern technology tools hinder MSMEs from optimizing their operations and expanding their market reach. This technological lag places MSMEs at a competitive disadvantage, especially in an increasingly digital global marketplace.

Market access is another formidable challenge. MSMEs frequently struggle to penetrate new markets and compete with established players. According to Gupta and Batra (2018), MSMEs face difficulties in market research, branding, and marketing due to financial constraints and limited market knowledge. This issue is compounded by the dominance of larger corporations that can leverage economies of scale to offer products and services at lower prices, thereby squeezing MSMEs out of the market.

Human resource constraints also significantly affect the growth and sustainability of MSMEs. The sector often grapples with a shortage of skilled labor, which impedes productivity and innovation (Verma& Kumar, 2020). Furthermore, MSMEs typically cannot offer competitive salaries and benefits compared to larger firms, leading to high employee turnover and a persistent talent deficit. This challenge is particularly acute in sectors that require specialized skills and expertise.

Moreover, infrastructural deficits pose a substantial challenge for MSMEs. Inadequate infrastructure, including unreliable electricity supply, poor transportation networks, and limited access to high-quality raw materials, increases operational costs and disrupts business activities (Pandey& Sharma, 2021). These infrastructural issues are particularly pronounced in rural areas, where many MSMEs are located. Consequently, MSMEs in these regions face additional hurdles in terms of logistics and supply chain management.

The global economic environment and trade policies also impact MSMEs in India. Fluctuations in global demand, changes in trade tariffs, and international competition can severely affect MSME exports. As highlighted by Mehta and Kapoor (2019), MSMEs often lack the resources to hedge against global market risks or to navigate the complexities of international trade regulations. This vulnerability to external economic shocks further undermines their stability and growth prospects.

In conclusion, MSMEs in India face a multitude of challenges that hinder their development and competitiveness. These include difficulties in accessing finance, navigating complex regulatory environments, bridging the technological gap, securing market access, managing human resources, overcoming infrastructural deficits, and dealing with global economic fluctuations. Addressing these challenges requires concerted efforts from policymakers, financial institutions, and industry stakeholders to create a more supportive ecosystem for MSMEs. By enhancing access to finance, simplifying regulatory frameworks, promoting technological adoption, and improving infrastructure, India can bolster the growth and sustainability of its MSME sector, thereby strengthening its overall economy.

RESEARCH METHODOLOGY

RESEARCH DESIGN

This study emphasize a mixed method approach to comprehensively understand the hurdles faced by MSMEs in the country ,so, both quantitative and qualitative data are gathered to provide a complete study.

DATA COLLECTION

Primary Data- Interviews, surveys and observations are conducted with MSME owners and managers in the different sectors. The interview includes face to face, telephonic or online conversations and surveys and large amount of data as source for the first time while observations include events as they happen without inference.

Secondary Data- Large portion of data is collected in it which includes government websites, university libraries as well as previous internet publications, media source, industrial associations are reviewed to identify the current patterns and themes.

DATA ANALYSIS

Analysis Methodology- This analysis involves both quantitative and qualitative methods. This dual approach provides a thorough study of this complex problem impacting these enterprises.

Quantitative Data- Statistical analysis by different software such as SPSS are performed to find significant factors, trends and correlations to impact MSMEs and to interpret the data different statistical tools are used such as descriptive statistics, factor analysis and regression analysis.

Qualitative Data- Report patterns or themes to elucidate the text contents and generating initial codes are applied to identify the various challenges faced by MSME.

Data is exclusively based on secondary data which has been collected from the various issues of annual reports on MSMEs

- Published data by MSME
- RBI
- Newspaper, Magazines
- Journals and Internet

a. **Access to credit**- According to international finance corporation (IFC) , there is as substantial credit gap with over 40% of MSMEs lacking access to formal sources of finance.

b. **High Interest Rate**- The RBI data indicates that rates for MSMEs can be several percentage points higher than those for large corporations.

c. **Lack of Technological Adoption**- The National Survey reveals that less than 15% of MSMEs use digital tools business operations significantly lower than the global average. It affects the productivity and competitiveness.

d. **Limited Access to R&D**- A study by the ministry of MSMEs highlights that only a small fraction of MSMEs invest in R&D which stagnates the innovation.

e. **Limited Market Access**- The confederation of Indian Industry (CII) reports that many MSMEs are confined to local markets and face significant challenges in expanding nationally or internationally.

f. **Talent Acquisition and Retention**- The National Skill Development Corporation (NSDC) highlights that the skill gap remains significant issue with many MSMEs reporting a shortage of qualified personnel.

g. **Training and Development**- A survey by the federation of Indian chambers of commerce and industry (FICCI) found that a majority of MSMEs do not have formal training programs which hampers their growth potential.

Importance of Micro,Small and Medium Enterprises in the Economy of the country

1. MSMEs comprise supplementary wholes to big businesses, providing ruling class accompanying natural resources, elements, and duties. This cooperative connection helps in embellishing the effectiveness and competitiveness of the technical subdivision all at once.
2. The MSME area considerably donates to India's smuggle gain. By bearing merchandise that are standard everywhere, MSMEs help in gaining valuable convertibility, accordingly encouraging the country's unfamiliar reserves.
3. MSMEs are popular for their elasticity and changeability to changeful advertise action. They are frequently more creative and speedy in executing new electronics distinguished to best undertakings, that helps in supporting a civilization of unending bettering and naturalization.
4. By providing job and supporting business-related projects in country and bashful extents, MSMEs help in reconstructing the standard of living. The role of MSMEs is really crucial in the socio-economic development of a country.
5. MSMEs have created significant job opportunities which is providing employment to over 120 million people which makes them the second largest employment sector after agriculture.
6. MSMEs have contributed 30% to India's GDP and they play a vital role in industrial sector contributing approximately 45% to total industrial output and 40% to country's expert.
7. MSMEs contributes in promoting balanced regional development by the establishment of industries in semi-urban and rural areas.
8. MSMEs encourage entrepreneurship and provide opportunities for self-employment and also promotes the development of skills among local population and it is very essential for economy's overall development.

THE CHALLENGES FACED & MSME SECTOR OF INDIA

Although the MSME sector of India is very low capital invested and most vibrant and dynamic sector which majorly contributed in the economics of nation but still this sector is affecting from several challenges. There challenges have become the barriers in operation of the enterprises of MSMES so we can divide in different categories of their challenges. Which are following as –

FINANCIAL CHALLENGE

The major challenge faced by MSMEs enterprises is financial challenge. It is too difficult to acquire funds MSME units according to their needs of operation and expansion.Although the Indian government has already taken several steps for making funds need these enterprise such as the provision of prioritysector lending, for lending to MSME units specialized the bank branches, debt restricting, margin many assistance scheme, credit grantee truest etc. but still there is the problems of wide spreadUnawareness of government financial schemes and the an educated and semi-educated enterprises hesitate it use government agencies for their financial requirement. Due to which they have to face many financial problems which becomes the challenge for the MSMEsector.

The lack of financial literally and consulting support for theentrepreneurs of MSME.So it would be said that the lack of financial knowledge is the reason of this challenge. Sometimes it difficult to provide collateralsecurity toaccess he bank funds these small MSME units. The MSMES also find in difficult to gain micro finance, working capitalfinance, and the trade finance in the formal banking sector because of the perceived grater risks and found in these small enterprises. That's why, these unites have to survive with limited funds.

On the other hand, when it comes to loans , it is not very easy task for these small unit because once the MSME unit manage to prove their eligibility by going through the complex procedures, the loan approval process is a cumbersome one and there are delays in the disbursement of funds as well. And if one tries to take loans form in formal financial institutions instead of banks, since the in formal credit sector can disburse much required funds quickly but their interest rates are very high. The MSME sectors has limited access to equity capital. The establishment of BSE SME exchange and NSE emerge in 2012 has boosted the participation of SMEs in the capital market.Although the formalities for SMEs are much more liberal as compared to companies listed on the main board, but still, there are some entities that gets listed on this new form of exchange.

MARKETING CHALLENGES

The second major challenge as marketing related challenge for MSME units. The Indian government has started many special scheme for help MSME in the marketing of their commodities and services such as quality upgradation, introduction of common facility, entrepreneurship growth and consultancy etc. But in spite of many efforts of the ministry of MSME marketing has not yet developed as an important profession in the MSME sector. The market scenario is so factious and problematic because there are so high competitionat market now days. This high competition has forced several MSME enterprises to close their operations .The insufficient logistics and lack of capacity of develop channels of distribution in global markets are also the major marketing problems. On the other hand this sector sustain poor sales promotional skill and limited ability to promote the products in global market. The areas of acquiring reliable consumer related information, target markets related information, warehouse facilities, certification by ISO, issues related IP and the Organized marketing channels are also some marketing issues which are facing by MSMEs. And it is very challenge for the MSME enterprises to globalize their products and to get reliable foreign agent to contact potential foreign customers because of lack of required expert enter into global market. The MSME enterprises also feel theirself in unfavorable condition for bargaining powerfully with potential customers.

CHALLENGES RELATED MANPOWER

The third major problem faced by MSME sector is HR related problem. These units are majorly un capable to afford human resource of special management skills because this type of employees got themselves attach to that companies which providing large attractive packages. These good packages are mot possible for small scale units of MSMEs. That's why the MSMEs have to bear the problem of unsuitable and untrained personnel required for effective globalization. Alongwith this, there is a shortage of sector-specified skilled manpower at all levels because the lack of sufficient funds these units goes through informal recruiting and not taking the all processes to managing HR such as selection, training and development programs. So, such human resources lack the latest technical information pertaining to areas of manufacturing, finance, accounting and marketing also. Such employees also be uneducated or unaware of any advancement in various operational areas. Alongwith this, due to limited funds and skills, it is so difficult for MSMEs to motivate any skilled managerial and technical employees. At the same time, one of the major challenges relates to complex labor laws which are complicated and practically very difficult to comply with by these small enterprises.

OPERATIONAL CHALLENGES

Although the government of India has taken several steps for the smooth operation for MSME enterprises but still there are many unsuitable provisions for this startups and unstable legal system for the operation of the small scale enterprises. The MSME sector or India has been suffering from poor risk management, frequent inspections by multiple government agencies, gender and sectoral disparity. This sector is a victim of supply chain incompetence. The MSME units also have to face many socio-cultural issues which relates to family support and caste-based differences in the initial stages. Ant it leads to the issue of high employee turnover. At the technical and managerial levels, there is a lack of information technology literacy and required skills for MSME units. The complex labor laws do not provide adequate clarity and their compliance involves complex processes. The problem of poor infrastructure is also faced by this sector. Some inadequate facilities for transportation, communication, water and gas supply, regular power etc. infrastructural issues negatively affect the productivity and profitability of this sector. It also faces complex taxation policies applied by Indian Government. So it would be said that this sector operates within the framework of complex regulatory policies.

TECHNICAL CHALLENGES

The operating cost of the MSME units of india has increased because there are the lack of latest technical skills and the machines and equipments are so old. This has negatively impacted the competitiveness of the manufacturing sector. So it is necessary to upgrades the latest technological things. Other then this, the MSME enterprises are not properly aware to the concept of lean manufacturing. There is also a lack of trained and skilled employees and thus the enhancement of enroll in business incubators is required. The entrepreneurs as well as employees of this sector are not well aware with ICT skills which can completely change the way of business operation.

CHALLENGES RELATED TO EXPORT

In the terms of value to the national exports, the MSME sector contributes approx 40% but still, exposure to foreign markets is very limited. The psychicdistance from different markets is one of the reason. There is also a lack of social capital resources such as inter firm connections, networks, managerial relations and informal relations that are so important for dealing with the liability of being smaller than their competitors. In the international scenario, it makes them suffer from high competitions. Although the Indian Government has done many efforts for the betterment but still the participation of MSME units in global events and exhibitions is not satisfactory. Their product design and quality are not found as per5 the standard of international market. Alongwith this only the export promotion programs such as ITPO and DGFT are not adequate. The export related subsidiesenjoyed by the Indian MSME units are too less as compared to south-east Asia nations. There are many more export related challenges faced by Indian MSMEs such as the preparation of export documents, hedging of exchange rate risks and export value chain. Some Indian MSME units lack the requisite foreign language skills. The uncertainty related to regulatory policies is too high. There is also a fearof complex and costly dispute resolution mechanism and the repayment system is also considered very slow and complex when foreign currencies are involved.

CONCLUSION

Micro, Small and Medium Enterprises place a vital role in the Indian economy significantly contributing to the growth of GDP and industrial output However, MSMEs face multifaceted challenges. that hurdles their growth and sustainability.

Some recent data highlights with critical issues-

- Access to finance
- Infrastructure deficit
- Technology adoption
- Regulatory hurdles
- Market access

These challenges require a multi-programmed strategy involving policy reforms, enhanced access to finance, infrastructure development, technological development and integration and simplified regulatory process. Strengthening the MSME sector is vital for the economic development and growth which requires efforts from, Government, financial institutions and industry stakeholders.

SUGGESTIONS

There should be improvement in the access to finance. some financial institutions should be develop by the government to provide some credit guarantee schemes and incentives to help MSMEs.

Enhanced technological support to enhance growth and competitiveness by providing subsidies for technology adoption and also by providing training to MSME owners and employees.

Government should invest in infrastructural development including power Supply transportation and logistics in Rural and Semi Urban Areas.

Strengthening Legal Framework for Dispute Resolution.

Policies Stability and Consistency also ensures better Business Plans and invest with greater Confidence.

Encouraging Innovations and Research & Development which supports for Startups and Emerging Businesses. Government should provide grants and tax incentives for Research and Development activities.

Government should facilitate better Market linkages through trade fairs, E-commerce Platforms and Export Promotion Programmes.

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CAPITAL MARKET FINANCING FOR SMALL AND MEDIUM-SIZED ENTERPRISES (A STUDY OF NATIONAL STOCK EXCHANGE)

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ABSTRACT

The aim of this study to discuss types of funding needed by SMEs, factors which affect the financing of SMEs, preconditions and obstacles and capital market financing for SMEs. After the aforementioned worldwide crisis, the capital market funding channel for SMEs received much-needed attention. Access to capital market finance is seen to be one of the main barriers preventing SMEs from growing. Economies are currently pushing for distinct SMEs platforms, boards, and exchanges. India made a significant move in 2012 by encouraging SME platforms on the main stock exchanges, the BSE and NSE. When it comes to luring SMEs for listing and trading, BSE currently leads the market.Small and medium-sized enterprises faced a wider variety of risks than larger ones. High level of stock market understanding was needed to go through the businesses and select ones that matched their risk tolerance.

Keywords: *SMEs, National Stock Exchange, Economy, Investment*

Introduction

Due to their critical contribution to GDP, industrial growth, employment, and exports, small and medium-sized firms (SMEs) are integral to India's socio-economic development. (Jain et al., n.d.) Small and medium-sized industrial (MSI) units in India are referred to as "small and medium enterprises" (SME) in general. Any industrial unit that invests up to Rs. 10 million in fixed assets, leased assets, or hire-purchase assets is classified as an SSI unit, and any unit that invests up to Rs. 100 million is classified as a medium unit. Furthermore, an SSI unit cannot be owned or managed by another industrial unit, nor can it be a subsidiary of another industrial unit. Each country has its own definition or categorization for small and medium-sized businesses. SMEs are not universally recognized in terms of definition or categorization. Diverse writers, academics, and educational institutions hold varying opinions on variances in capital expenditure, workforce size, sales turnover, fixed capital investment, plant and machinery availability, market share, and degree of development. (Gbandi & Amissah, 2014)

Small and medium-sized businesses are essential to a nation's economy since they greatly boost growth and employment creation. But the shortage of financing is one of the main issues this industry faces, particularly in times of crisis. Since SMEs are recognized as being essential to economic development, a wealth of research has been written on the variables that affect growth rates and financial restraints, with significant implications for policymakers.Lack of access to money is caused by a number of issues, including inadequate financial development, excessive bureaucracy, and inefficient economic changes. Small and medium-sized enterprises (SMEs) are a nation's main source of job opportunities, GDP contribution, and revenue for the state budget.

Globally, COVID-19 has had a serious impact on small and medium-sized enterprises. The pandemic's new working conditions have put SMEs in a difficult position globally, with many being forced to stop operations, which has an impact on the economy of the country. (Doacă, n.d.) Last but not least, the fact that this industry serves as a significant source of competition for huge businesses, assisting in the management of such firms' monopolies, emphasizes the significance of having access to financing. SMEs continue to struggle with finance. One strategy that SMEs might use to get around this restriction is an IPO.(Wahyono, 2018)

A sufficient supply of equity financing to SMEs has been acknowledged as a top policy objective on a global scale. Both industrialized and emerging nations have established alternative stock markets for SMEs in order to do this. The International Organization of Securities Commissions (IOSCO) has recognized the promotion of such exchanges as one of the areas for mutual cooperation since the demand for an alternative stock exchange for SMEs has become so pressing in the nations.

The range of risk was higher for small and medium-sized businesses than for bigger ones. For investors to go through the firms and choose ones that fit their risk tolerance, a high level of stock market expertise was required. Not every investor is able to do this. Many small investors suffered losses as a result. The NSE and BSE established distinct exchanges in India that are exclusively for small and medium-sized businesses in order to prevent this. The NSE's exchange is known as "Emerge," although the BSE refers to it as the "SME exchange." Shares of businesses and other financial instruments are purchased and sold on the stock market. The performance of SMEs is directly related to the management of diverse financial resources and their effective use within operational, investment, and financing activities.(Margaretha &Supartika, 2016)

The term "stock market," "equity market," or "share market" refers to the gathering of buyers and sellers of stocks, also known as "shares," which are ownership claims on businesses. Securities listed on a public stock exchange and privately traded stock, such as shares of private companies offered to investors through equity crowdfunding platforms, can both be considered stocks. Typically, while making an investment, one has an investing plan in mind. (Zeidy, n.d.)

Literature Review

Keshab Das (2008) studied that India's small and medium-sized enterprises (SMEs) are a dominant force in the industrial sector because they create jobs, generate money, and address regional inequality. Considering the demands of globalization. Some of the fundamental barriers that have impeded the growth of Indian SMEs in the past include restricted loan availability, low technological proficiency (resulting in low product quality and limited exportability), and a lack of basic infrastructure, both financial and physical. The difficulty for policy is to maintain the focus on SMEs' role in creating decent employment while simultaneously broadening the advantages to SMEs across sectors and spaces.

Shinozaki (2014) Based on the results of extensive surveys, this paper examines the potential of capital market financing for SMEs in emerging Asia. It reviews the difficulties faced by current SME capital markets and evaluates the demands placed on SMEs, investors, securities firms, regulators, policy makers, and market organizers in order to develop a SME market. In light of the responses to national growth strategies and the global policy agenda's intersecting issues like energy efficiency, climate change, and green finance, this paper also examines the potential for the development of the exercise equity market and the social capital market in Asia.

KD Raju studied that SMEs are the backbone of the Indian manufacturing sector and are now the country's main driver of economic expansion. Roughly 90% of India's industrial units and 40% of the value added in the manufacturing sector are thought to be SMEs. This essay examines in detail the expansion and evolution of the Indian mall scale industry since the country's economic openness in 1991. The goal of the Micro, Small and Medium Enterprises Act of 2006 is to grow the industry. The Act's provisions are carefully scrutinized. The last section offers a potential foundation for future policies that will ensure the sector's viability.

Purpose

This paper aims to discuss capital market solutions that facilitate the financing of small and medium-sized enterprises (SMEs). It also addresses the necessities and difficulties involved in establishing these solutions and offers suggestions that will allow the SMEs to fully benefit from a wider range of funding sources.

There are four main sections to the paper's structure. The types of funding needed at each step of a SME's life cycle are presented in the first section. In section two, the issues preventing SMEs from accessing financial resources are presented. In part three, capital market options that assist in mobilizing finance for SMEs are covered. Prerequisites and obstacles for the creation of many of the solutions are discussed in Section 4

Methodology

Descriptive study has been conducted for this particular research. Secondary data have been collected for this particular study. Data is collected from different sources using internet, journals, books, websites.

Results and Discussion

The range of risk was higher for small and medium-sized businesses than for bigger ones. For investors to go through the firms and choose ones that fit their risk tolerance, a high level of stock market expertise was required. Not every investor is able to do this. Many small investors suffered losses as a result. The NSE and BSE established distinct exchanges in India that are exclusively for small and medium-sized businesses in order to prevent this. The NSE's exchange is known as "Emerge," although the BSE refers to it as the "SME exchange."The goal of the Micro, Small and Medium Enterprises Act of 2006 is to grow the industry. The Act's contents are carefully scrutinized.((), n.d.)

Types of funds required by SMEs

Family, friends, and personal savings of entrepreneurs are frequently the most significant sources of funding at the seed stage of a small business or startup, given these companies typically have extremely hazardous intangible assets, no trading history, and other challenges.

Personal savings run out during the start-up phase of the second survival phase, necessitating other financial sources. Small company investments are still seen as high risk at this point as the companies aren't big enough to draw in venture investors.

The small firm needs another cash infusion to finance expansion once it has progressed past the early phases. Due to its reliance on intangible assets, limited profitability, short track record, and incapacity for investors to evaluate its future growth possibilities, the SME may not be eligible for loan financing at this point. As a result, the SME is not appropriate to raise equity through a public offering.

The firm has developed a track record, is able to provide collateral and information about its performance, and has become more transparent in the more advanced stages, such as the emerging and development stages, allowing it to access securitized debt and publicly listed equity markets.

Factors affecting SMEs in Financing

Among the supply issues are banks' reluctance to lend owing to performance concerns, default risk, a lack of collateral, insufficient management experience and competence, and a poorly presented business plan. Due to the high interest rate that is compounded annually, many businesses are reluctant to take out long-term loans. More complicated challenges than those affecting large enterprises are involved in the supply and demand of financing for the SME sector.(Dwyer & Kotey, 2015).

Such a discrepancy between supply and demand points to the constraints of bank lending to businesses in terms of providing stable and long-term funding, particularly for SMEs.(Shinozaki, 2014)

These limitations can be divided into three categories: ownership, finance, and company characteristics. A company's size, years of existence, and capacity to generate commercial collateral are among its qualities. A company strategy, start-up capital, current capital status, interest rate, banking procedure, and payback time are some of the financial features that affect SMEs' funding. The traits of an entrepreneur include things like training, experience, interpersonal skills, and managerial abilities.

Funding from the capital markets for small and medium-sized businesses

Indirect and direct procedures are the two primary categories of capital market solutions that support the mobilization of funding for SMEs.2a) Indirect Financing Mechanisms for SMEs

Indirect Mechanism

The term "indirect mechanisms" refers to capital markets solutions that Medium and Small scale Enterprise (MSME) lenders employ to enhance their funding structure and increase their ability to effectively compete in the credit markets.

Two indirect strategies that are used in some emerging and developing economies are: I. SME loan securitization; and II. Plain vanilla issuances by specialist SME lenders.

a) Plain vanilla issuances

A financial instrument that is plain vanilla has no unique characteristics and is the most basic form available. Simple financial instruments such as bonds, options, and other financial ideas can exist.Equity and loan issuances by firms are referred to as plain vanilla issuances by specialist SME lenders. For many Emerging and Developing Economies (EMDEs), simple vanilla issuances by specialized SME lenders are a workable alternative. These include cooperatives, factoring and leasing businesses, microfinance organizations, and, more recently, fintech firms that focus on offering funding online. A portion of these organizations help SMEs that banks do not service. Furthermore, some of companies accept less collateral than banks do.

b) SME loan securitization

A financing method called SME loan securitization makes it possible to turn SME loans—which are by nature illiquid into marketable securities. In order to do this, a bank or SME lender (referred to as the "originator") gathers a variety of SME loans into a pool (referred to as a "portfolio") and offers the portfolio to capital market investors by having a special purpose vehicle (SPV) issue securities.

Small and medium-sized enterprise (SME) loan securitization may offer several advantages to investors. Investors can first get access to an asset class whose performance is linked to the overall state of the economy. Although other asset classes are also capable of doing so, the allure of SME securitization lies in its capacity to comprise a portfolio of more varied and granular (smaller individual) assets, so enabling investors to more effectively diversify their risk. One of the few nations that regularly uses SME loan securitization is India.

Direct Mechanism

These include of equity solutions, loan platforms, receivable platforms, and receivable-based solutions, among others.

a) Receivable-oriented solutions

Working capital is what most SMEs require even before long-term financing. The contractual conditions under which SMEs sell their goods and services—periods that frequently compel them to sell on credit and under prolonged payment terms—are a crucial component in determining the cash flows of SMEs, even if there are many other factors at play.

Although conditions for late payments assist purchasers in optimizing their own working capital, late payments raise expenses and financial uncertainty for SMEs and may force otherwise successful companies into bankruptcy. In actuality, this circumstance causes a large number of SMEs to sell their receivables (credits) to banks or factoring firms under prolonged payment terms in order to get liquidity.

b) Receivable platforms

Electronic platforms that let SMEs sell their receivables to a variety of investors directly are known as receivable platforms. The platform operates purely as a mediator that prescreens the receivables using proprietary technologies, but ultimately the credit risk is carried by the investor.

c) Lending platforms

Platforms that allow individuals and companies to apply for loans directly from a variety of investors are known as SME lending platforms. The platforms just function as middlemen. Their job is to prescreen the loans using inexpensive information technology that enables them to gather standardized data from scattered borrowers in order to evaluate the credit risk; nonetheless, investors who assume that credit risk are the ones who make the final investment choice.

In order to safeguard investors, companies seeking to receive equity funding from the public must comply with both corporate governance and transparency standards.

Investors must possess all the knowledge required to make informed judgments about their investments. Furthermore, organizations that are looking for equity investors are subject to corporate governance duties, which are designed to make sure the company operates in the best interests of all of its owners.

Prerequisites and obstacles

The development of many of the solutions that are described above is subject to the following obstacles and preconditions. It is doubtful that authorities could create many of the answers if these prerequisites were not met:

Prerequisites

a) Many of the ideas proposed would require a substantial investor base in order to be impactful and scalable;

b) A certain degree of capital market development;

c) Macroeconomic stability, the growth of the financial sector, and a strong institutional and enabling environment;

d) Venture capital requires the existence of a strong capital market that can act as an exit mechanism for such investments;

Obstacles

a) SMEs lack the kind of data that banks typically use to evaluate credit risk;

b) The dearth of sufficient quantity of high-quality, standardized SMEs loans poses a challenge to some indirect solutions, especially SME loan securitization; and

c) A large number of SMEs are ignorant of capital markets solutions. Even yet, individuals who are able to secure bank funding tend to choose that choice over others as it necessitates less organizational adjustments and information than is necessary for them to gain access to the capital markets through a securities offering. The obstacle is even greater when it comes to equity as the majority of SMEs are family-run companies that are hesitant to involve outside investors and alter their management style.

d) Furthermore, there are still information gaps between possible investors and enterprises (and, in the case of PE/VC, between the management and potential partners), which makes it challenging to value SMEs. It has been noted that the lack of transparency around the financial standing of SMEs is one of the main issues with the Indian financial system.(Das, 2008)

National Stock Exchange SME

The National Stock Exchange (NSE) offers a platform for small and medium-sized businesses (SME) called NSE SME or NSE Emerge. By offering their shares to the public through a SME IPO, Indian SMEs may obtain capital and become listed on the NSE. The NSE Emerge SME equities are traded alongside regular firms on the same NSE platform.Because SMEs in emerging market countries (EMCs) are often smaller in size, creating SME exchanges is a more challenging task.(Harwood & Konidaris, n.d.)

SME IPOs give investors the chance to make early investments in small-scale firms. After a few years of expansion, SME listed businesses eventually transfer to the main exchange.The market capitalization of SME firms, or small and medium-sized businesses, that are listed on the NSE Emerge platform achieved its first milestone of ₹1 lakh crore.With over ₹7,800 crore in funding raised, 397 firms have launched on NSE Emerge as of this writing. Launched in 2017, the Nifty SME EMERGE Index now comprises 166 businesses across 19 industries, and has demonstrated a compound annual growth rate (CAGR) of 39.78% through November 2023. This indicates a noteworthy track record and the expanding contribution of the SME sector to the overall economic growth of our nation. Since its introduction in 2012, the NSE SME platform has played a pivotal role in furnishing our nation's small and medium-sized firms with a feasible and enduring prospect.

Conclusion

A country's economy depends heavily on small and medium-sized enterprises since they foster economic growth and job creation. However, one of the biggest problems this business has, especially during bad times, is a lack of funding. Since SMEs are acknowledged as being crucial to economic growth, a plethora of research has been published on the factors influencing growth rates and financial constraints, with important policy consequences. The findings suggest that while the NSE's efforts have been beneficial in providing an alternative financing avenue for SMEs, there is still a need for more supportive measures. There are a lot of factors which affect the financing of SMEs and capital market provide different source of finance. Policymakers should consider simplifying the listing process and offering incentives to attract more SMEs and investors. For SMEs, enhanced financial literacy and awareness programs could help them better understand and leverage capital market opportunities.

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DIGITAL TRANSFORMATION IN INSURANCE: BRIDGING THE SKILL GAP THROUGH CONTINUOUS TRAINING

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ABSTRACT

When it comes to Empowering Service oriented MSMEs there is a digital revolution happening in the insurance industry, driven by technological advances and changing consumer behavior. This paper examines the importance of ongoing training to fill the skill gap arising out of the transformation to digital operations by insurance companies. Using a broad-based view from the current literature and industry case studies, it has been demonstrated how digital tools and platforms are changing the skill set required of insurance personnel. This research highlights the critical need for increased, ongoing learning and up skilling to keep pace with technological change. Here various training methodologies, such as e-learning, virtual simulations, and blended learning, assessing their effectiveness in delivering targeted and efficient training programs has been investigated. Furthermore, the challenges and opportunities associated with implementing continuous training initiatives, including organizational culture, cost implications, and measuring training outcomes are discussed.

Findings indicate that companies investing in robust digital training frameworks experience improved employee performance, higher customer satisfaction, and a competitive edge in the market. This paper provides valuable insights & practical recommendations for insurance industry stake holders looking to navigate the complexities of digitalization & effectively bridge the skill gap through continuous learning.

Keywords: *Digital Transformation, Training, Insurance Companies, Learning.*

Introduction

The insurance industry, like many others, is undergoing a digital transformation that is reshaping its operations, products, and customer experiences. Digital technologies such as Artificial Intelligence (AI), Machine Learning (ML), Big Data, blockchain, and automation are revolutionizing how insurance companies operate and interact with customers. While these technologies offer numerous opportunities to improve efficiency, personalize services, and increase competitiveness, they also present significant challenges, especially regarding workforce preparedness.

A key challenge for the insurance sector in embracing digital transformation is the skills gap among professionals in the industry. As new technologies are introduced, the existing workforce needs to acquire new competencies to handle digital tools and adapt to evolving business models. Without continuous training and development, employees may struggle to remain relevant, hindering organizational growth and success.

This chapter explores the role of continuous training in bridging the skill gap created by digital transformation in the insurance sector. It examines the technological changes impacting the industry, the digital skills required, and strategies for developing and sustaining a digitally skilled workforce through ongoing education and training.

Understanding Digital Transformation in Insurance

The digital transformation of the insurance industry is driven by innovations in technology that impact both operational processes and customer interactions. Several key technological advancements are shaping the future of the insurance sector:

1. **Artificial Intelligence (AI) and Machine Learning:** AI is used for automating underwriting, detecting fraud, personalizing customer service, and optimizing claims processes. Machine Learning algorithms allow insurance companies to analyze vast datasets to uncover patterns and make predictive decisions that improve risk assessment and customer service.
2. **Big Data and Data Analytics:** Insurance firms are leveraging big data to gain deeper insights into customer behavior, risk factors, and market trends. This data allows insurers to offer more personalized insurance policies, tailor pricing, and develop proactive risk management strategies.
3. **Blockchain:** Blockchain technology has the potential to revolutionize claims management, policy administration, and fraud detection. It provides secure, transparent, and immutable records, reducing the risk of fraud and speeding up claims processing.
4. **Robotic Process Automation (RPA):** RPA is being used to automate routine and manual tasks, such as data entry, processing claims, and generating reports, thereby increasing operational efficiency and reducing costs.

While these technological advancements have created vast opportunities for the industry, they also present challenges for the workforce. Insurance professionals, especially those in traditional roles, may lack the digital skills necessary to leverage these technologies. This is where the importance of continuous training becomes evident.

The Digital Skills Gap in Insurance

The digital skills gap in the insurance industry has become a critical issue, especially as technology continues to disrupt the sector. According to a 2020 report by PwC, 63% of insurance executives in India cited a lack of digital skills as a significant barrier to implementing new technologies. This skills gap is particularly evident in areas such as data analytics, AI, machine learning, and digital marketing.

The skills required in today's insurance industry can be broadly categorized into:

1. **Technical Skills:** Proficiency in technologies like AI, data analytics, and blockchain, which are increasingly becoming integral to insurance operations. For example, actuaries now need to be familiar with predictive analytics tools and AI-driven risk assessment algorithms.
2. **Digital Literacy:** Basic digital literacy is essential for all employees in the insurance sector. Employees must be comfortable using digital tools, understanding cybersecurity risks, and engaging with customers through online platforms.
3. **Soft Skills:** In addition to technical expertise, soft skills such as problem-solving, communication, and

adaptability are crucial in a digital environment. Insurance professionals must be able to effectively interpret data, communicate with clients through digital channels, and adapt to new technologies.

The challenge lies not only in the need for new technical skills but also in ensuring that the existing workforce can bridge this gap without disrupting day-to-day operations.

The Role of Continuous Training in Bridging the Skill Gap

Continuous training plays a crucial role in equipping employees with the skills they need to thrive in a digitally transformed insurance environment. The pace of technological change is so rapid that one-off training sessions are no longer sufficient. Instead, organizations need to prioritize ongoing, adaptive learning to help employees stay up-to-date with emerging tools, technologies, and methodologies.

Benefits of Continuous Training

1. **Increased Workforce Competency:** Continuous training ensures that employees develop the skills they need to effectively use new technologies. It enhances technical proficiency in areas like AI, data analytics, and RPA, which are critical for the industry's digital future.
2. **Improved Employee Retention and Engagement:** Organizations that invest in continuous learning often see higher levels of employee satisfaction and retention. Training programs show employees that their development is valued, which can increase engagement and loyalty.
3. **Enhanced Customer Experience:** Employees with up-to-date skills are better equipped to provide improved customer service. Whether it's through faster claims processing, more personalized insurance policies, or providing expert advice on digital tools, trained employees contribute directly to enhanced customer satisfaction.
4. **Better Adoption of Digital Technologies:** When employees are continuously trained in new technologies, they are more likely to embrace and adopt these tools. This reduces resistance to change, which can otherwise hinder digital transformation efforts.

Key Areas for Continuous Training

To ensure that insurance professionals are adequately equipped to handle the demands of digital transformation, training programs should focus on the following areas:

1. **Data Analytics and AI:** Employees must be trained to understand data, interpret complex datasets, and make informed decisions based on insights derived from AI and machine learning models. Basic data literacy should be extended across all levels of the workforce, and specialized training should be provided for roles that require advanced data analysis.
2. **Digital Communication Skills:** As customer interactions increasingly take place online, employees need to be skilled in digital communication, including using chatbots, video conferencing, and social media platforms. Training should cover both the use of these platforms and how to deliver effective, empathetic customer service.
3. **Cybersecurity Awareness:** With the increase in digital transactions, the risk of cyber threats is greater than ever. Training programs must educate employees about security protocols, data protection, and how to recognize and mitigate risks.

4. **Robotic Process Automation (RPA):** Automation tools are replacing manual tasks in many areas of insurance. Training employees to work alongside these tools and to optimize their usage can drive operational efficiency.
5. **Innovation and Agile Methodologies:** In a fast-paced digital world, insurance companies must embrace innovation and agile methodologies. Training should encourage employees to think creatively, adapt quickly to changes, and work collaboratively in cross-functional teams.

Implementing Continuous Training in Insurance Companies

To successfully implement continuous training programs, insurance companies must consider the following factors:

1. **Tailored Learning Paths:** Training programs should be personalized based on the roles and career paths of employees. For instance, a data scientist in the company will require different training from a claims adjuster, even though both may need to develop skills in AI and data analytics.
2. **Blended Learning Approaches:** A mix of online courses, instructor-led workshops, webinars, and hands-on experiences can cater to different learning styles. Flexible, self-paced learning options can ensure that employees can engage with training material at their own convenience.
3. **Learning Management Systems (LMS):** Insurance companies should invest in robust learning management systems to provide centralized access to training materials, track employee progress, and assess skill development over time.
4. **Industry Partnerships:** Collaborating with external training providers, universities, and industry organizations can provide insurance companies with access to specialized training programs that are updated with the latest technological developments.
5. **Measuring Effectiveness:** To ensure the training programs are effective, companies should regularly assess employee performance, solicit feedback from participants, and track how well employees are applying their new skills in real-world scenarios.

Challenges in Continuous Training

While the benefits of continuous training are clear, there are several challenges that insurance companies must overcome:

1. **Resource Constraints:** For many insurance companies, particularly smaller firms, budget and time limitations can make it difficult to implement comprehensive training programs.
2. **Resistance to Change:** Some employees may resist adopting new technologies or participating in training programs, particularly if they feel overwhelmed by the speed of digital transformation.
3. **Keeping Training Relevant:** As technology evolves rapidly, training content can quickly become outdated. It is essential that training programs are regularly updated to reflect the latest advancements.

Conclusion

As digital transformation continues to reshape the insurance industry, bridging the digital skills gap is paramount for ensuring the success of both individual employees and organizations as a whole. Continuous training plays a vital role in developing the necessary competencies for the workforce to adapt to new technologies. By fostering a culture of lifelong learning, insurance companies can enhance employee engagement, improve operational efficiency, and deliver superior customer experiences.

Investing in training today will help insurance organizations stay competitive in a fast-evolving digital world, empowering their workforce to succeed and thrive amidst disruption.

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THE ROLE OF ERGONOMICALLY DESIGNED FURNITURE IN MANAGING HOUSEHOLD TASKS

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ABSTRACT

Ergonomically designed furniture plays a significant role in improving the efficiency, comfort, and health of individuals performing household tasks. With modern lifestyles becoming increasingly sedentary and multifaceted, integrating ergonomic principles into household furniture can alleviate physical strain, support better posture, and reduce the risk of long-term health issues. This paper explores the ways in which ergonomic furniture influences everyday household activities, enhances productivity, and contributes to long-term well-being. It examines the various types of ergonomic furniture available for managing tasks such as cooking, cleaning, working from home, and leisure activities, as well as the associated health benefits.

Keywords: *Ergonomics, Household tasks, Furniture design, Posture, Productivity, Health benefits, Work-from-home*

Introduction

In recent years, ergonomic design has gained widespread recognition, not just in workplaces but also in residential spaces. As people increasingly balance home chores, remote work, and family care, the need for ergonomically designed furniture in the home has grown. From reducing physical strain during daily household chores to enhancing overall health and productivity, ergonomic furniture offers practical solutions that make managing household tasks more efficient and comfortable.

Ergonomically designed furniture promotes health, supports long-term comfort, and reduces the risk of musculoskeletal disorders (MSDs) and other physical ailments caused by poor posture or repetitive tasks. By examining the role of ergonomic furniture in various household tasks, this paper highlights its importance in creating healthier, more efficient home environments.

The Concept of Ergonomics in Furniture Design

Ergonomics is the science of designing furniture and tools that fit the human body's natural movements and dimensions, ensuring comfort and efficiency. Ergonomically designed furniture is created with features that promote good posture, reduce physical strain, and encourage movement. In the context of household tasks, ergonomic furniture is essential for improving comfort and reducing the risk of injuries related to improper body mechanics during prolonged sitting, standing, or repetitive motions.

Key principles of ergonomic furniture design include:

1. **Support for Spinal Alignment:** Proper lumbar support, backrests, and adjustable elements that encourage neutral posture.

2. **Adjustability:** Features that allow the user to modify the height, angle, and position of furniture to suit individual preferences.
3. **Comfortable Materials:** Padding, cushioning, and soft-touch materials that relieve pressure points and ensure comfort during long tasks.

The Impact of Ergonomically Designed Furniture on Household Tasks

Ergonomics in Kitchen and Meal Preparation

Cooking and meal preparation are physically demanding activities that require flexibility, reach, and prolonged standing. Without proper support, these tasks can strain the back, neck, and legs, leading to discomfort and fatigue.

1. **Height-Adjustable Countertops:** Adjustable-height kitchen counters and workspaces allow individuals to adjust the working height to their comfort level. This helps reduce bending over or reaching excessively, particularly for shorter or taller individuals.
2. **Ergonomic Kitchen Chairs and Stools:** In the kitchen, ergonomic stools with adjustable height and footrests support a relaxed posture while working at counters or islands. These chairs promote stability and allow users to alternate between sitting and standing as needed, reducing strain on the lower back and legs.
3. **Ergonomic Tools:** Ergonomic kitchen tools, such as peelers, knives, and mixers, designed with handles that fit comfortably in the hand, reduce repetitive strain injuries (RSIs) and make the process of meal preparation more efficient.

Ergonomics in Cleaning and Household Maintenance

Cleaning tasks such as vacuuming, scrubbing, or washing dishes can be physically taxing, especially when done for long periods. Improper posture or repetitive motions during these activities can lead to aches and pains, particularly in the lower back, wrists, and knees.

i. **Ergonomic Cleaning Tools:** Tools such as mop handles with adjustable lengths or lightweight vacuum cleaners with easy-grip handles reduce strain on the back and arms. These features allow users to clean more efficiently with less physical effort, preventing injuries caused by overextension or repetitive movements.

ii. **Height-Adjustable Cleaning Stations:** Adjustable-height cleaning stations can help reduce bending or squatting, particularly in tasks like washing dishes or sorting laundry. Furniture such as elevated laundry baskets or fold-out ironing tables helps reduce the need to lean over and strain the back.

Ergonomics for Work-from-Home (WFH) Setup

The growing trend of remote work has increased the need for ergonomic furniture designed to support long hours of sitting and working from home. An uncomfortable or poorly designed workstation can lead to physical discomfort and decreased productivity.

i. **Ergonomic Chairs and Desks:** An ergonomic chair with adjustable lumbar support, height, and armrests supports proper posture during long working hours. An adjustable desk allows individuals to alternate between sitting and standing, reducing the health risks associated with prolonged sitting.

ii. **Ergonomic Computer Accessories:** Ergonomically designed keyboards, mice, and monitor stands reduce strain on the wrists, neck, and eyes. These accessories promote better alignment and help avoid repetitive strain injuries commonly associated with long hours of typing or using a mouse.

Ergonomics in Leisure and Relaxation

Rest and relaxation are essential to maintaining overall health, and ergonomic furniture plays a crucial role in promoting comfort during downtime.

i. **Ergonomic Recliners and Sofas:** Reclining furniture with lumbar support and adjustable backrests helps relieve pressure on the spine, promoting relaxation and reducing the risk of back pain. This is especially beneficial for individuals who spend long hours sitting while watching television, reading, or socializing.

ii. **Ergonomic Mattresses and Bedding:** A supportive mattress ensures proper spinal alignment during sleep, preventing discomfort and improving sleep quality. Ergonomically designed pillows further enhance neck and head alignment, providing better support and alleviating common sleep-related issues like neck pain or snoring.

Health Benefits of Ergonomically Designed Furniture

The long-term use of ergonomically designed furniture can significantly improve health outcomes, particularly by preventing common musculoskeletal disorders and promoting better overall well-being.

1. Prevention of Musculoskeletal Disorders (MSDs)

Poor posture, repetitive movements, and prolonged sitting or standing without adequate support contribute to the development of musculoskeletal disorders such as back pain, neck pain, and carpal tunnel syndrome. Ergonomic furniture helps mitigate these risks by encouraging proper body alignment and reducing strain on the joints and muscles.

2. Reduction of Fatigue and Discomfort

Furniture that supports the body's natural alignment reduces fatigue and discomfort during everyday tasks. By reducing the physical strain on the body, individuals can work longer and with greater efficiency. For example, ergonomic kitchen stools help reduce fatigue during meal preparation, and ergonomic chairs prevent back pain during office work.

3. Enhanced Circulation and Posture

Ergonomic furniture promotes healthy circulation by encouraging movement and maintaining good posture. Features such as adjustable desks or active sitting chairs prevent stagnation in the body, which can lead to poor circulation, muscle stiffness, and fatigue.

Challenges in Adopting Ergonomically Designed Furniture

Despite its clear benefits, the adoption of ergonomic furniture in household settings faces several challenges:

1. **Cost:** Ergonomically designed furniture is often more expensive than traditional furniture due to specialized features and materials. For some households, the upfront cost of ergonomic furniture can be a barrier to adoption.

2. **Space Constraints:** In smaller homes or apartments, the larger size of some ergonomic furniture pieces may not be practical or feasible. However, compact and multifunctional ergonomic designs are becoming more widely available to address these concerns.
3. **Awareness and Education:** Many individuals may not be fully aware of the benefits of ergonomically designed furniture or the risks of poor posture. Increased awareness and education about the importance of ergonomics can encourage more people to invest in furniture that supports their health.

Conclusion

Ergonomically designed furniture plays a critical role in managing household tasks by reducing physical strain, promoting better posture, and improving long-term health. From enhancing comfort during meal preparation and cleaning to optimizing work-from-home environments and supporting relaxation, ergonomic furniture has a profound impact on daily living. By addressing both short-term discomfort and long-term health risks, ergonomically designed furniture enhances productivity, efficiency, and overall well-being.

As ergonomic design continues to evolve, there is potential for more affordable, accessible, and aesthetically pleasing options that meet the needs of diverse households. Investing in ergonomic furniture is an investment in health, comfort, and productivity, making it a crucial element in managing household tasks effectively.

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MICRO, SMALL AND MEDIUM ENTERPRISES (MSMEs) IN INDIA

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ABSTRACT

MSMEs (Micro Small Medium Enterprises) play a very critical role through its contribution towards the economic development of any country and thereby it determines the major economic indicators for a developing nation as such. MSMEs role has been clearly understood as the pillars of our growing economy. MSMEs are flexible with respect to the changes as and when needed by the market and also produce good value added products/services. The MSME sector plays a vital role in the growth of our country. It contributes almost 40% of the gross industrial value added in the Indian economy. It has been estimated that a million rupees of investment in fixed assets in the small scale sector produces 4.62 million worth of goods or services with an approximate value addition of ten percentage points. Since from the inception of five years plan, small sectors have been well promoted and also they have shown a rapid growth rate. As for as manufacturing sectors are considered, its numbers are rapidly increasing over the year's. When we see the growth of MSMEs, it still needs to be tapped effectively in order to get the advantage to the fullest. This paper would study the role of MSMEs in Indian Economy and its impact on the economic development of India as a whole and also how Innovation will be able to contribute for the Indian MSMEs performance.

Keywords: *Economic Growth, Innovation, MSMEs, Manufacturing Firm.*

Introduction

Indian MSMEs are a vital part of our economic sector. The interesting characteristics of this sector are that they need less capital investment as compared to large firms and also provide high job opportunities. This has created a high importance to the MSME sector. Indian MSME is the second highest in employment which is next to agricultural sector as per the Development Commissioner of Micro, Small and Medium Enterprises. This MSME sector is creating job opportunities which is eliminating poverty and also creates an ecosystem for generating high revenue. It is also helping in optimizing the available resources like manpower and capital by adopting different strategies. This small sector is acting as a catalyst to instigate the zeal among entrepreneurs to respond to the ever changing market demands.

Need of MSMEs

Indian economy is highly dependent on the growth of MSMEs. Almost more than half of all the global businesses are coming under MSME sector and it is still more than half in some parts of the developed countries of the world. It is very easy for the policy makers to take a strategic decision to promote MSMEs as it is very evident that its growth is directly affecting the economy. There exists a difference in the definition of MSMEs across the globe and as well among the industries catering to different sectors. As a result this small sector needs atmost importance from the policy makers towards achieving higher returns. These intermediaries are there in all countries but vary in their role towards these small sectors. MSMEs development agencies such as Small Business Administration (SBA) of the US, Small Business Service (SBS) of United Kingdom and SIDO (Small Industries Development Organization) in India are the intermediaries set up by the Government.

Contribution of MSMES Towards Indian Economy

Overall contribution of MSMEs across India is high as compared to individual MSMEs. Thus MSME is emerging as the strategic player in the economic growth of the country. A very important feature of this MSME is that, they are able to change the life style of people belonging to backward class, minorities and also women's.

Indian MSME has become an important player towards the country's economic growth by increasing employment opportunities, exporting more products and having economic independence. MSMEs have gained higher importance due to the fact that it accounts for 45% manufacturing output, 40% of total exports and also the second biggest in employment generation. In spite ofthese facts, Indian economic growth is not adequate when compared with the developed nation's economy. Hence our MSMEs needs a special attention from the government towards achieving sustained growth and also make them capable to compete globally to take the competitive advantage. There are lots of initiatives taken by the present government of India towards making MSME a highly demanding sector and one such major strategic initiative taken is "Make in India" drive.

Literature Review

MSME is the backbone of our Indian economy and it is facilitating a sustained growth over the years both in terms of employment and economic growth. Its role in exports and industrial growth is significant. In spite of these facts, our Indian MSMEs are lagging as compared with developed economies of the world. MSMEs are facing many hurdles and as a result, the expected high growth has become a nightmare. The hurdles can be listed as financial constraint, lack of strategies in marketing, lack of quality, lack of newness or novelty etc. Hence in this paper, attempt has been made by considering Innovation as one of the main construct which might have considerable impact on the performance of MSMEs of Indian origin.

Innovation

Today's Indian economy is characterized by great complexity and its growth mainly depends on the innovation. It is the one which increases the comfort level of a common man by offering value added products/services. These innovative firms create employment, generate revenue and also change the people's life style by offering quality products or services3 . However, more innovation happens only if there exists an ecosystem which nurtures the ideas resulting in the creation of good number of technological innovations.

Innovation is a process rather than an event and it is on continuous basis, having taking care of technology, manufacturing and other related activities. The innovation in a firm is an interactive process which happens across the different departments and results in breakthrough products which are ready to be commercialized.

Innovation also happens as a result of organization's learning capabilities in order to deal the unexpected situations. So firms should try to give due importance for its learning ability, in order to improve innovations. As a result, the employee starts accumulating knowledge and consistently starts using the intellect quickly for producing new products/services.

The innovation also depends on the firm's ability to respond the ever changing market demands. Proposed that the firm's innovation ability is defined as a set of characteristics that promotes the organization innovation.

The productivity, profitability, customer satisfaction, overall improvement of an organization is happening in the Indian firms adopting innovations. This is a fact realized after a thorough research done to find how innovations are affecting Indian firms. As a result of this, the firms are able to achieve the competitive advantage. Innovations acts like a catalyst which enhances the performance of a company as compared with the company's not adopting innovations. Thus, innovation is a process of idea generation, technology management, commercialization of a new product or improvement of an existing product or process.

We are using Technological, Product, Process and System innovation as the four different variables under innovation constructs in our research.

MSME and Innovation

Innovations are not meant for only large firms which happen through rational and analytical approach. In the existing competitive market, MSME should take an initiative to use all unmet needs and convert them as opportunities for its growth against the large firm.

MSMEs are the strongest drivers of Nation's economic development, innovation and employment. It becomes imperative to strengthen MSME's ecosystem by developing innovative solutions and applications which will help them to move up the value chain. The Government of India, therefore, envisioned creating MSME Innovative Scheme through combination of Incubation, Design intervention and IPR protection initiatives to enhance MSME competitiveness and transform them as National and International Champions.

Methodology

The study is descriptive in nature and based on secondary data. Relevant information have been collected from various research papers, journals and magazines , and also includes websites.

MSMEs-Conceptual Framework

MSMEs enterprises in most of the economies and are credited with generating the highest rates of employment growth and account for a major share of industrial production and exports. In recent years, the MSME seclor has consistently registered higher growth rate compared to the overall industrial sector. In accordance with the provisions of Micro, Small & Medium Enterprises Development (MSMED) Act, 2006 MSMEs are classified in two categoriesmanufacturing and service.

Manufacturing Enterprises- The enterprises engaged in the manufacture or production of goods pertaining to any industry specified in the first schedule to the industries (Development and Regulation) Act, 1951. The Manufacturing Enterprise are defined in terms of investment in Plant & Machinery.

Service Enterprises- The enterprises engaged in providing or rendering of services and are defined in terms of investment in equipment.

Conclusion

In a nutshell, MSMEs have emerged as an engine of growth in Indian economy by way of their significant contribution to GDP and industrial production. The MSMEs needs to improve its productivity and quality, reduce costs and innovate. Government policy should help MSMEs to increase their efficiency and competitiveness within a market driven economy. In order to prevent the major sickness in MSMEs, new approaches like the cluster approach or harnessing the power of industry association should be encouraged.

To keep this growth engine on the right path and direction, it is necessary to put emphasis on the fonnulation of friendly policies, conducive operating environment, improvement of proper infrastructure, securing peace and security, arranging proper finance, efficient manager and arranging appropriate modem technology for MSMEs.

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FINANCIAL STRESS AND MSME GROWTH: CHALLENGES IN ACCESS TO FINANCE AND ITS IMPACT ON STRESS LEVELS AMONG MSME OWNERS

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ABSTRACT

Micro, Small, and Medium Enterprises (MSMEs) play a vital role in fostering economic growth, creating jobs, and fostering innovation, especially in developing economies. However, MSME owners often face substantial challenges in accessing financing, which contributes to financial stress and impedes business growth. This paper investigates the financial challenges MSME owners face, the financial stress they experience due to limited access to finance, and how this stress impacts their business performance and decision-making. Using a mixed-methods approach, this research analyses data collected from MSME owners and explores the effects of financial stress on their businesses. The study provides recommendations for policy changes to alleviate these challenges and improve MSME growth.

1. Introduction

Micro, Small, and Medium Enterprises (MSMEs) are the backbone of many economies, contributing significantly to employment generation, GDP growth, and innovation (World Bank, 2021). However, despite their importance, MSMEs often encounter significant challenges, particularly in securing adequate and affordable finance. One of the most pressing issues facing MSME owners is financial stress, which arises from difficulties in obtaining funding for business operations, expansion, or innovation.

This paper aims to explore the relationship between financial stress and MSME growth, focusing on the challenges MSMEs face when accessing finance. Specifically, it examines how financial stress, caused by limited access to financial resources, affects the growth prospects and well-being of MSME owners. By understanding these dynamics, the paper seeks to provide insights into how addressing financial stress can foster a more supportive environment for MSME growth.

Research Questions

What are the key challenges MSME owners face in accessing finance?

How does financial stress affect the decision-making and business growth of MSMEs?

What role do financial institutions and government policies play in alleviating financial stress for MSME owners?

2. Literature Review

2.1 MSMEs and Financial Access

MSMEs represent over 90% of global businesses and are key contributors to job creation, particularly in developing countries (Ayyagari, Beck, & Demirguc-Kunt, 2007). However, access to finance remains one of the major barriers to MSME growth. According to the World Bank (2021), approximately 70% of MSMEs in emerging markets report difficulties in obtaining financing, with many being denied access to formal credit. These challenges are primarily due to a lack of collateral, high interest rates, and stringent lending requirements from traditional financial institutions (Beck &Demirguc-Kunt, 2006).

2.2 Financial Stress and Business Owners

Financial stress is defined as the psychological and emotional strain caused by the pressures of managing financial obligations. For MSME owners, financial stress often manifests in the form of anxiety, uncertainty, and diminished decision-making capabilities (Sullivan & Shastri, 2011). Financial stress can lead to poor business decisions, delays in payments, and an inability to reinvest in the business, which can severely limit growth potential (Wang, 2013). Research also shows that financial stress adversely impacts the mental health and personal well-being of MSME owners, contributing to burnout and poor business outcomes (Van der Meulen, 2015).

2.3 Impact of Financial Stress on MSME Growth

The growth of MSMEs is closely linked to their ability to access finance and manage financial stress effectively. MSMEs often struggle to scale up because of the burden of financial stress, which hinders innovation, investment, and strategic planning. Studies show that MSME owners under financial strain are more likely to adopt risk-averse behaviors, reducing their willingness to invest in growth opportunities (Aghion, Van Reenen, & Zingales, 2013). This cautious approach can result in stagnation rather than expansion, ultimately preventing MSMEs from realizing their full potential.

2.4 Gaps in Research

While there is substantial literature on MSMEs and their access to finance, few studies focus specifically on the intersection of financial stress and business growth in MSMEs. Moreover, much of the existing research has been focused on large enterprises, with less attention given to the unique challenges faced by MSMEs, particularly in emerging economies. This paper seeks to fill this gap by exploring the direct impact of financial stress on MSME growth and offering practical recommendations for alleviating these challenges.

3. Methodology

3.1 Research Design

This study employs a mixed-methods research design, combining qualitative and quantitative approaches to gather a comprehensive understanding of the challenges MSME owners face in accessing finance and how financial stress impacts their businesses. The quantitative data was collected through surveys, while qualitative data was obtained through in-depth interviews with MSME owners.

3.2 Sample Selection

The sample for this study was drawn from MSME owners in a selected urban region. A total of 200 MSME owners participated in the survey, and 20 owners were selected for in-depth interviews. The participants were chosen to represent a variety of industries, including retail, manufacturing, and services, with business sizes ranging from micro to small enterprises.

3.3 Data Collection

The survey instrument included questions on financial stress indicators such as cash flow problems, access to credit, loan approval rates, and business performance metrics like revenue growth, profitability, and expansion plans. The interviews focused on understanding the personal experiences of MSME owners, their coping strategies for financial stress, and the challenges they face in securing funding.

3.4 Data Analysis

Quantitative data was analyzed using statistical methods such as regression analysis to identify correlations between financial stress and MSME growth indicators. Qualitative data from interviews was analyzed using thematic analysis to uncover common themes related to financial stress, coping mechanisms, and business decision-making.

3.5 Limitations

The study's limitations include the potential for response bias, as participants may not fully disclose the extent of their financial stress or business challenges. Additionally, the sample was geographically limited, which may affect the generalizability of the findings.

4. Results and Discussion

4.1 Challenges in Accessing Finance

The survey revealed that 65% of MSME owners reported significant difficulties in obtaining loans from traditional financial institutions. Common reasons cited included high-interest rates (45%), lack of collateral (35%), and bureaucratic obstacles (20%). These barriers to finance were consistently linked to high levels of financial stress, with MSME owners frequently reporting anxiety and fear regarding their ability to sustain operations.

4.2 Financial Stress and Business Growth

The study found a strong negative correlation between financial stress and business growth. MSME owners who experienced higher levels of financial stress were more likely to report stagnation in their business growth, with 40% of stressed owners indicating a reduction in business expansion plans. Furthermore, 30% of respondents cited stress-related factors such as poor decision-making and delayed investment as significant obstacles to their growth.

4.3 Impact of Financial Stress on Decision-Making

Qualitative interviews revealed that financial stress often led MSME owners to adopt conservative business strategies, avoiding risk and delaying expansion opportunities. Many owners expressed feelings of uncertainty and a lack of control over their financial futures, which affected their ability to make long-term strategic decisions.

5. Conclusion

This study underscores the critical relationship between access to finance, financial stress, and the growth prospects of MSMEs. The findings suggest that the inability to access affordable financing exacerbates financial stress among MSME owners, which in turn hampers their decision-making abilities and business performance.

Addressing these challenges requires a multi-faceted approach, including better access to credit, more flexible loan terms, and financial education programs for MSME owners.

5.1 Policy Recommendations

To alleviate the financial stress faced by MSME owners, policymakers should consider implementing the following strategies:

Expanding Access to Credit: Encouraging financial institutions to offer MSME-specific financial products with lower interest rates and less stringent collateral requirements.

Government Support Programs: Introducing government-backed loan schemes and subsidies for MSMEs to reduce the financial burden on owners.

Financial Literacy Programs: Providing MSME owners with resources to better manage their finances, reduce stress, and make informed business decisions.

5.2 Future Research

Future research could examine the effectiveness of government policies aimed at improving access to finance for MSMEs, or investigate the impact of different financial products on reducing financial stress. Longitudinal studies could also provide deeper insights into the long-term effects of financial stress on MSME growth.

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INDIAN TEXTILE AND APPAREL INDUSTRY'S PROSPECTS FOR EMPLOYMENT AND SKILL IMPROVEMENT

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ABSTRACT

The Indian textile and apparel industry stands as a cornerstone of the national economy, significantly contributing to GDP, export earnings, and employment. India's textile and apparel industry is the second largest source of employment after agriculture. However, to fully exploit this potential, it is important to address the skills shortage in areas such as automation and technical textiles. This paper explores the current and future prospects of this industry with a focus on employment and skill development. We examine the industry's structure, its role in the economy, government initiatives to boost employment and skill levels, and the challenges and opportunities it faces. This abstract explores the current and future prospects of this industry, focusing on employment and skill development.

Keywords: *Indian textile industry, Apparel sector, Employment prospects, Skill development, Atmanirbhar Bharat, Economic growth, Sustainable textiles etc.*

1. Introduction

1.1 Background

The Indian textile and apparel industry has a rich historical legacy, dating back to ancient times when it was renowned for producing fine cotton, silk, and wool textiles. Today, the industry stands as a pillar of the Indian economy, contributing nearly 2.3% to India's GDP, 13% to industrial production, and 12% to total export earnings.

The industry is labour-intensive, employing over 45 million people directly and an additional 60 million in allied industries, making it the second-largest employment generator after agriculture. The demand for skilled labour is continuously rising due to evolving manufacturing technologies, growing exports, and consumer demand for high-quality textiles.

1.2 Objectives of the Paper

1. To analyse employment opportunities in the textile and apparel industry.
2. To assess skill requirements and challenges in improving workforce competencies.
3. To examine government initiatives and policies that enhance employment prospects.
4. To explore strategies for sustainable growth through skill enhancement.

1.3 Methodology

This paper is based on secondary research, drawing from government reports, industry analyses, and scholarly studies. Data sources include reports by the Ministry of Textiles, industry associations (CII, FICCI), and international organizations (ILO, WTO). The following key data sources are utilized to gather relevant insights and support the analysis:

Government Reports

The research draws extensively from government reports, specifically from the Ministry of Textiles, which provides critical data on the textile sector's performance, policy developments, and regulatory changes. These reports offer valuable insights into national trends, sectoral challenges, and growth opportunities within the textile industry.

Industry Analyses

Reports and publications from prominent industry bodies such as the Confederation of Indian Industry (CII) and the Federation of Indian Chambers of Commerce & Industry (FICCI) are also analysed. These reports offer detailed assessments of the current state of the textile industry, market forecasts, economic factors influencing the sector, and recommendations for policy or business strategies.

Scholarly Studies

The research integrates findings from academic and scholarly articles related to textiles, focusing on innovation, sustainability, labor practices, supply chain dynamics, and economic impact. Peer-reviewed journals and other academic publications provide a robust theoretical and empirical framework for understanding the broader trends in the global textile sector.

International Organization Reports

Reports from international organizations such as the International Labour Organization (ILO) and the World Trade Organization (WTO) are also leveraged. These sources provide global perspectives on labour standards, trade regulations, international market trends, and the economic impact of the textile industry across different regions.

Data Collection and Analysis

The data collected from these sources is critically analysed, synthesized, and cross-referenced to ensure reliability and validity. Qualitative and quantitative data from various reports and studies are incorporated into the analysis, providing a comprehensive understanding of the textile industry's dynamics. By drawing from these diverse and credible sources, the paper aims to offer well-rounded conclusions on the current state and future prospects of the textile sector.

This methodological approach ensures that the findings and recommendations are grounded in factual, authoritative information and provide a balanced view of the textile industry, informed by both domestic and global perspectives.

2. Overview of the Indian Textile and Apparel Industry

2.1 Structure of the Industry

The Indian textile industry is vertically integrated, encompassing various segments:

1. **Spinning:** India is the world's largest producer of cotton and jute, and the second-largest producer of polyester.
2. **Weaving and Knitting:** This segment consists of handlooms, power looms, and mills.
3. **Apparel Manufacturing:** Both small-scale units and large export-oriented enterprises dominate this sector.
4. **Home Textiles and Technical Textiles:** Emerging segments with growing demand globally.

2.2 Employment Scenario

The textile industry has significant employment potential due to its labour-intensive nature. The sector employs a diverse workforce, including:

1. Skilled and semi-skilled workers
2. Women workers, especially in handloom and apparel manufacturing
3. Rural artisans and MSME workers

2.3 Contribution to Exports

India is the second-largest textile exporter globally after China. The key export markets include the USA, EU, Japan, and Middle East. With initiatives like the Production-Linked Incentive (PLI) scheme, the government aims to increase textile exports to $100 billion by 2030.

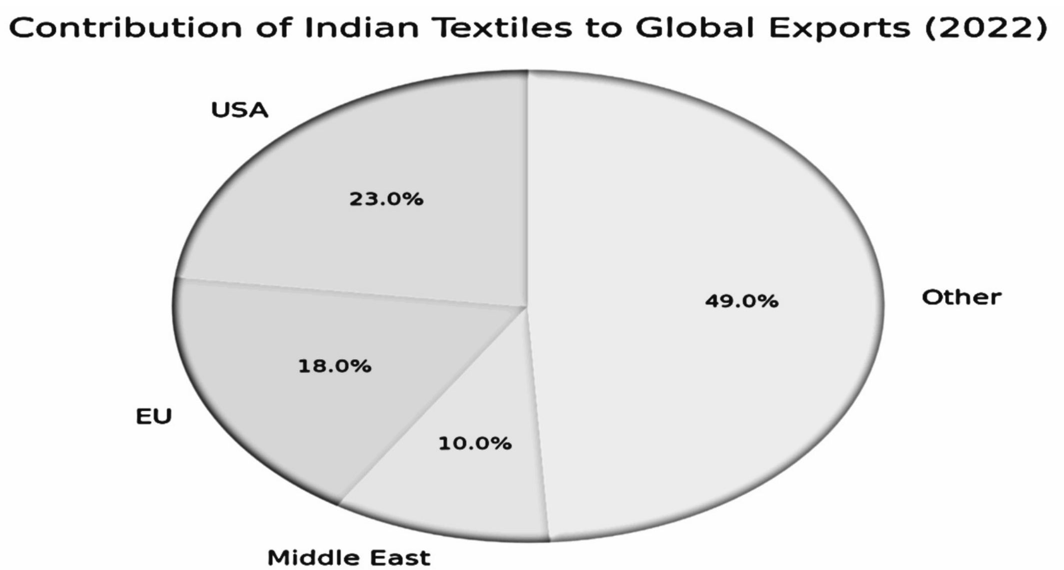

Figure 1: Contribution of Indian Textiles to Global Exports (2022 Data)

Here is a graphical representation of the contribution of Indian textiles to global exports in 2022. The pie chart shows the share of exports to different regions:

i. USA: 23%
2. EU: 18%
3. Middle East: 10%
4. Other regions: 49% (calculated from the remaining percentage)

This breakdown highlights the significant role of the USA, EU, and the Middle East in India's textile export market.

3. Prospects for Employment Generation

3.1 Current Employment Trends

India's textile and apparel sector currently employs around 105 million people. The majority of jobs are concentrated in spinning, weaving, and apparel manufacturing. Employment in rural areas is particularly high due to handloom and small-scale enterprises.

3.2 Factors Driving Employment Opportunities

1. **Rising Domestic Demand:** Increased purchasing power, growing fashion consciousness, and urbanization have boosted domestic consumption.
2. **Export Opportunities:** India's focus on capturing global markets with government incentives like the PLI scheme.
3. **Growth in Technical Textiles:** High demand for products like geotextiles, medical textiles, and industrial textiles.
4. **Women Empowerment:** Women constitute nearly 70% of the workforce in the apparel sector, presenting further employment potential.

3.3 Potential Job Creation

i. The National Skill Development Corporation (NSDC) estimates that the textile sector will require an additional 6-8 million skilled workers by 2025.

ii. Technical textiles alone are expected to create 1-2 million jobs in the next decade.

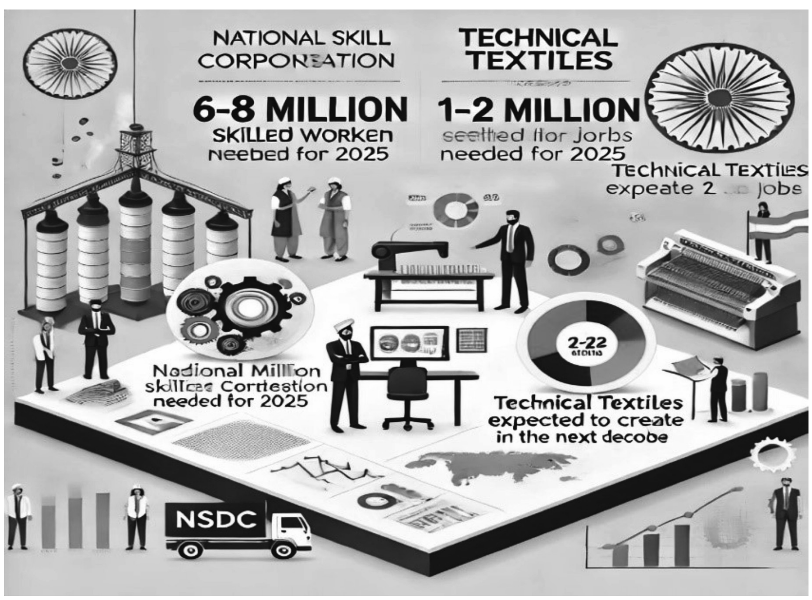

Figure 2: Projected Employment Growth in Textile Sector (2015-2030)

4. Challenges in Skill Development

4.1 Skill Gaps in the Industry

i. The textile and apparel industry faces significant challenges in workforce skill levels:

ii. Lack of trained manpower to handle advanced machinery and automated production lines.

iii. Limited focus on design, quality control, and technical expertise.

iv. Skills mismatch between industry needs and workforce capabilities.

4.2 Impact of Automation and Technology

i. Increasing automation in textile production has raised the demand for technically skilled workers.

ii. Workers need to adapt to technologies such as computer-aided design (CAD), automated looms, and digital printing.

iii. Traditional skills (e.g., handloom weaving) must be integrated with modern innovations to remain competitive.

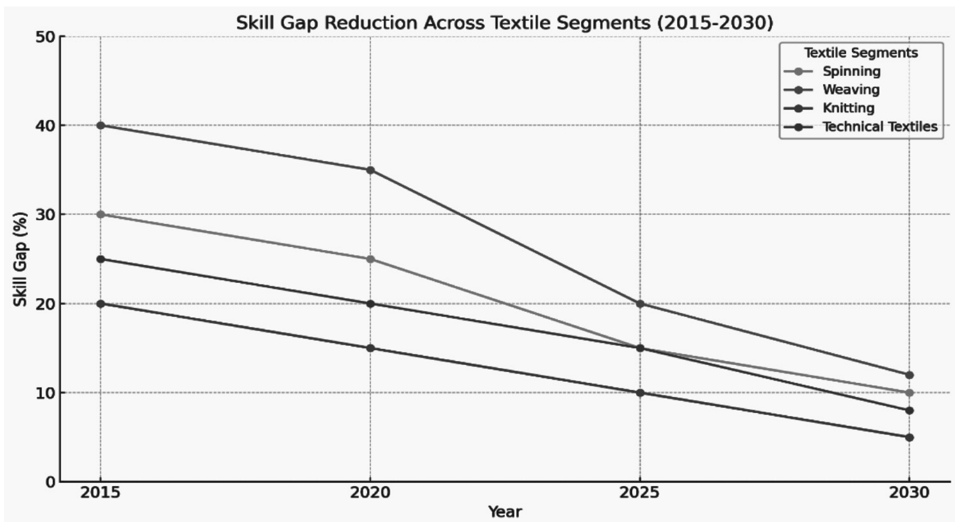

Figure 3: Skill Gap Reduction Across Textile Segments (2015-2030)

This line chart illustrates the reduction in skill gaps across various textile segments from 2015 to 2030. Each segment, including spinning, weaving, knitting, and technical textiles, shows a steady decrease in skill gap percentages over time, reflecting efforts to bridge workforce deficiencies in the textile sector.

5. Government Initiatives and Policy Support

5.1 Skill Development Programs

i. Samarth Scheme (Scheme for Capacity Building in Textile Sector): Aims to train 1 million workers over three years.

ii. Integrated Skill Development Scheme (ISDS): Focuses on upgrading skills in various segments, including handlooms and technical textiles.

5.2 Policy Support for Employment Generation

i. Production-Linked Incentive (PLI) Scheme: Provides financial incentives to boost manufacturing and employment.

ii. Atmanirbhar Bharat: Encourages self-reliance in textile production, creating opportunities for domestic employment.

iii. Cluster Development Programs: Promotes MSME growth and local employment opportunities.

Category	Initiative/Program	Key Features
Skill Development Programs	Samarth Scheme (Scheme for Capacity Building in Textile Sector)	Aims to train 1 million workers over three years.
	Integrated Skill Development Scheme (ISDS)	Focuses on upgrading skills in various segments, including handlooms and technical textiles.
Policy Support for Employment Generation	Production-Linked Incentive (PLI) Scheme	Provides financial incentives to boost manufacturing and employment.
	Atmanirbhar Bharat	Encourages self-reliance in textile production, creating opportunities for domestic employment.
	Cluster Development Programs	Promotes MSME growth and local employment opportunities.

Figure 4: Government Initiatives and Policy Support

This table shows the Government initiatives, skill development programs and Policy Support for Employment Generation.

6. Strategies for Skill Improvement and Employment Growth

6.1 Promoting Industry-Academia Collaboration

i. Collaboration between textile industries and educational institutions to align skill development with market needs.

ii. Establishing Centers of Excellence (CoEs) for research, training, and innovation.

6.2 Leveraging Technology and Innovation

i. Introducing digital tools and e-learning platforms for skill training.

ii. Promoting awareness of advanced technologies like 3D knitting, automation, and smart textiles.

6.3 Focus on Women Empowerment

i. Providing targeted training programs for women in apparel and home textiles.

ii. Ensuring access to credit and entrepreneurial opportunities for women-led textile enterprises.

6.4 Promoting Entrepreneurship and MSMEs

i. Providing financial support, market access, and infrastructure for small and medium enterprises.

ii. Encouraging start-ups in textile technology and fashion design.

Here is an infographic that visualizes the strategies for skill improvement and employment growth in the textile sector. It highlights collaboration, technology,women empowerment, and entrepreneurship with distinct visuals for each focus area.

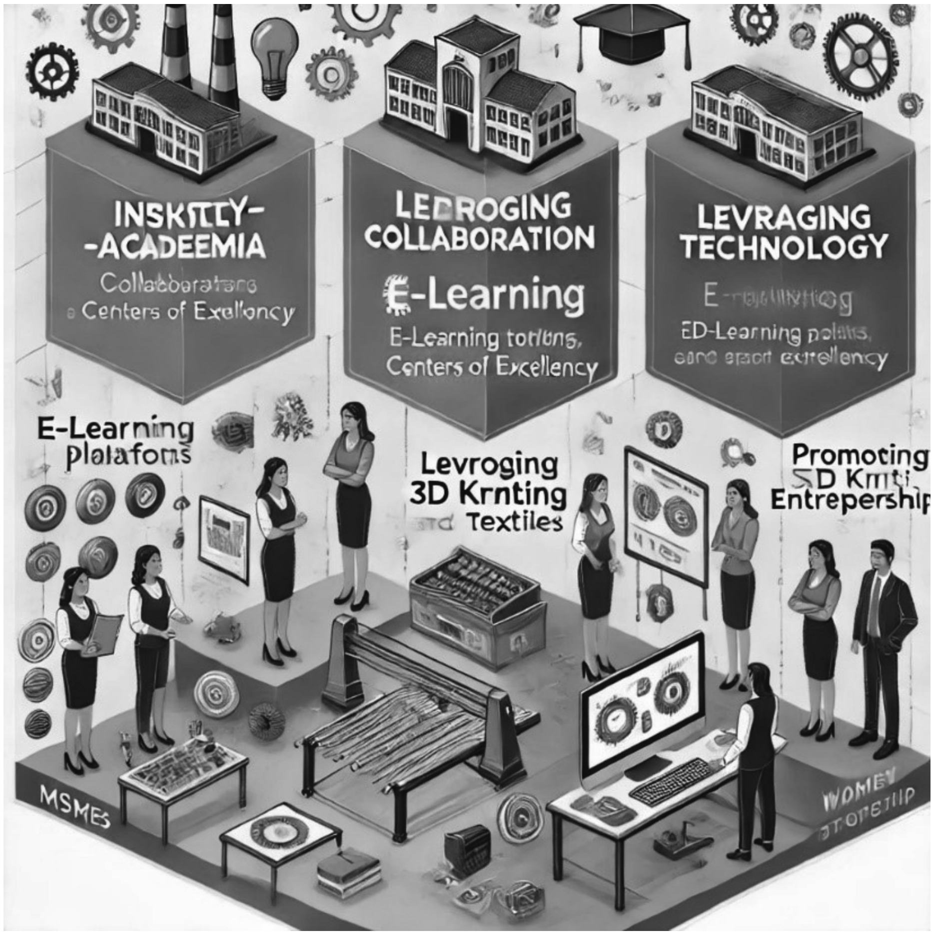

Figure 5: Strategies for Skill Improvement and Employment Growth

7. Conclusion

The Indian textile and apparel industry offers immense potential for employment generation and skill improvement, driven by rising domestic demand, export opportunities, and technological advancements. However, addressing the challenges of skill gaps, automation, and policy execution is crucial. Targeted efforts in capacity building, technological integration, and women empowerment will be key to the industry's growth.

With sustained policy support, private sector involvement, and innovative strategies, India can strengthen its position as a global textile leader while creating millions of jobs and empowering its workforce.

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Reports by Invest India on Technical Textiles

Policy documents on Samarth and ISDS schemes

MSMEs AS DRIVING FORCE IN VIKSIT BHARAT MISSION BY 2047

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ABSTRACT

In the journey towards Viksit Rashtra, industries specifically Micro, Small, and Medium Enterprises (MSMEs) play an important role in driving economic growth while checking other dimensions of sustainability. This article delves into the role of MSMEs and their contribution as the agents of sustainability, and how the government schemes, technological advancements, and financial support can assist them in continuing doing so. By analysing case studies across sectors such as textiles, automotive, agriculture, and IT, this work demonstrates how MSMEs have successfully adopted sustainable practices which can help in reducing the environmental damage and enhance economic competitiveness. The findings highlight the importance of government interventions, such as the Credit Linked Capital Subsidy Scheme (CLCSS) and the Technology and Quality Upgradation Support (TEQUP) scheme, in overcoming financial barriers and promoting energy efficiency, waste reduction, and social inclusivity. The cases necessitate policy tweaking and seamless execution of the same, and highlighting that MSMEs, when equipped with the right resources, can significantly contribute to India's sustainability agenda and global climate goals. India's path to a sustainable and developed future depends on a delicate balance between economic growth, social equity, and environmental protection. These are the three pillars of sustainability that are also underpinned by the United Nations' Sustainable Development Goals (UN SDGs), a global blueprint to achieve a better and more sustainable future. As India strives toward the ambitious Viksit Bharat@2047 vision, which includes each aspect of sustainability, aiming to transform the country into a fully developed and inclusive economy by its 100th year of independence, MSMEs have turned up as key contributors to this sustainable future.

Keywords: *MSME, SDG, Sustainability, Viksit Bharat*

1. Introduction

Human progress is a continuous interaction of dreams and reality. Our ability to imagine a better world and turn those visions into tangible outcomes has driven this civilization forward. In this context, sustainability has emerged as a guiding principle, balancing economic growth with environmental preservation. For Bharat or India, a nation with immense cultural heritage, diversity and ambition, the transition to a developed economy sustainably is a monumental task, one that requires the active participation of every sector, particularly MSMEs. MSMEs, comprising over 63 million enterprises, are the lifeblood of India's economy, contributing significantly to employment, exports, and Gross Domestic Product (GDP). These industries are engaged in production, manufacturing, processing, preservation and even promotion of Khadi and Village goods. Yet, their role extends beyond economics. These enterprises are critical to achieving India's net-zero goals due to their substantial collective environmental impact. They are spread evenly across urban and rural parts of the nation and also involve socially vulnerable groups and women as the owners. The challenge lies in transforming MSMEs from passive participants into active drivers of sustainability. The journey toward sustainability has taken centre stage in global economic discussions, particularly in developing nations. For India, MSMEs contribute nearly 30% to the country's GDP, 40% of total exports and 45% to its manufacturing output [3]. MSMEs employ over 120 million of the nation's workforce and are integral to the socio-economic fabric of the nation. However, their widespread operations across resource-intensive industries also mean that they are key contributors to environmental degradation. It should come as no surprise that industries are a big reason for pollution. There are as many as 200 energy intensive manufacturing clusters in India. Not to mention that India ranks very highly on the presence of PM 2.5 in atmosphere [9]. Our capital city is well known for being in headlines for the notorious air pollution alongside several cities of China, but multiple cities, hosting the clusters of small industries are now going through the same problem. Our MSMEs energy usage is equivalent to 50 million metric tones of oil per year. There is still a heavy dependence on fossil fuels, primarily coal. Vulnerability of these industries is such that whenever a disaster strikes, they are affected in the worst possible manner. During Covid-19 crisis, almost 70 percent of these industries closed. These types of pauses can lead to serious disruption in the supply chains as well as in the prices of goods. MSMEs are essential to the nation's economic growth, as they create employment, and promote regional economic development. However, despite their importance, they face numerous challenges in adopting sustainable practices, like financial constraints and affordable green technology [7]. The government has launched several programs, such as the Zero Defect Zero Effect (ZED) scheme, to help MSMEs reduce their carbon footprint and integrate themselves into sustainable global supply chains [10]. In line with the abovementioned things, this article provides a deeper understanding of how MSMEs can become active participants in India's sustainability agenda through examples and other suggestions.

2. Case Study

This section analyses some of the successful cases from Indian MSMEs, which are working towards the goal of sustainable and Viksit Bharat. To gather data and review case study we have utilised various scholarly literature and here we are highlighting the few case studies.

2.1 Sustainable Contributions of MSMEs in Pune [4]

The case study that we are looking at here examines the sustainable initiatives undertaken by selected MSMEs in Pune. For this we looked at MSMEs with a focus on their contribution to the SDGs. By integrating sustainable practices into their business models, these MSMEs have demonstrated how small enterprises can drive impactful change in environmental stewardship while maintaining economic profitability. These MSMEs have adopted several innovative approaches to sustainability, from water conservation to energy-efficient technologies. The case studies explored in this research illustrate how these enterprises not only comply with environmental regulations but also go beyond compliance to actively promote sustainability. These practices contribute to the SDGs, specifically SDG 6, SDG 7, and SDG 12.

2.2 Case Example 1: Water Conservation by ME Energy

ME Energy, which is a heavy engineering company based in Pune, has implemented significant water conservation measures. Earlier, they faced challenges of water scarcity in the region; to overcome that, the company built a water retention wall and implemented techniques to capture rainwater runoff. This initiative has led to the replenishment of groundwater levels, which benefited both the company and the surrounding communities [4]. These efforts closely align with the SDG 6's target 6.5, whose one of the targets is sustainable water management.

2.3 Case Example 2: Energy Efficiency by Divgi TTS Ltd.

Divgi TTS Ltd. is a manufacturer of auto parts. They have adopted energy efficiency as part of its sustainability strategy. The company migrated to energy-efficient LED lighting and also incorporated water-saving technologies such as foot-operated taps in its production facilities. By lowering its reliance on artificial lighting and minimizing water waste, Divgi TTS Ltd. contributes to SDG 7 while also reducing operational costs [4]. The initiatives undertaken by these MSMEs highlight their contribution to India's sustainability goals. Their focus on energy conservation, water management, and resource efficiency, provide us with a model of how small businesses can drive both economic growth and environmental responsibility. While these MSMEs have shown significant progress in adopting sustainable practices, challenges like access to funding for green technologies and the need for greater technical expertise remain. Government support and industry collaboration will be crucial to enabling more MSMEs to adopt sustainable business models and continue contributing to the SDGs [4].

2.4 Karur District MSMEs: A Hub of Economic and Social Progress [6]

The Karur district of Tamil Nadu is known for its emerging MSMEs, particularly in the textile, engineering, and home furnishing sectors. These MSMEs are important to the local economy, they provide employment opportunities and contribute to [6]. These MSMEs employ a significant portion of the local population, with 45% of the district's manufacturing output and 40% of exports being generated by these enterprises [6]. The region's textile industry, in particular, has gained global recognition for producing high-quality home textiles, which are exported to international markets. This contribution greatly aligns with India's goal of increasing exports and strengthening its position in the global market. In addition to economic growth, Karur's MSMEs have played a crucial role in social development. By providing jobs to thousands of local residents, reducing poverty and improving the standard of living in the region. They have adopted inclusive employment practices by hiring marginalised groups and ensuring gender diversity in the workforce. By doing so, they contribute to the SDGs of reducing inequality and promoting decent work and economic growth [6]. The region benefits from MSME-driven social initiatives like improving infrastructure and offering fair wages to rural workers [6].

2.5 Women-Led MSMEs: Empowering Women and Driving Inclusive Growth [2]

Women led MSMEs in India have become a powerful force in promoting gender equality and driving socio-economic development. These enterprises, particularly in rural areas, empower women by providing them with entrepreneurial opportunities, helping them to contribute significantly to household incomes and community development. The FICCI Ladies Organisation (FLO) has been a key player in supporting and encouraging women entrepreneurs across diverse sectors [2]. The FLO Compendium of 100 Success Stories of Women in MSME highlights several inspiring women entrepreneurs who have successfully established businesses in various sectors, for example textiles, handicrafts, technology, and food processing. These women not just only create jobs within their communities but also contribute to the national economy by producing goods that are culturally rooted and in demand both domestically and internationally. For instance, enterprises like Aarohana Eco Social Developments have pioneered sustainable practices by producing eco-friendly products, which helps in preserving India's cultural heritage while progressing towards economic growth [2]. Women-led MSMEs have benefited from government schemes, such as the Prime Minister Employment

Generation Programme (PMEGP) and the Stand-Up India initiative, which provide financial assistance and training to aspiring women entrepreneurs. Organisations like the Federation of Indian Women Entrepreneurs (FIWE) offer mentoring and networking opportunities, which supports women in scaling their businesses and integrating into global value chains [11]. These efforts align with SDG 5 and SDG 8 [2].

2.6 Maharashtra MSMEs: Innovation and Regional Growth [5]

Maharashtra is one of India's leading states when we talk about industrial development. The MSME sector in Maharashtra is highly vibrant, which contributes significantly to both industrial output and employment. These enterprises, particularly in the Konkan and Vidarbha regions, have demonstrated innovation in sectors such as agro-processing, manufacturing, and technology, driving regional economic balance and growth [5]. As per a data from 2013, there were 181,119 registered MSMEs in Maharashtra, providing employment to 23.36 lakh individuals. These enterprises contribute extensively to the state's economy, especially in terms of employment generation. Regional disparities exist, with Western Maharashtra accounting for the largest share of MSMEs at 41.45%, followed by the Konkan region with 26.49%. Despite these regional differences, MSMEs remain pivotal to Maharashtra's industrial and economic ecosystem [5]. Adding to their economic contributions, these MSMEs in the state have helped to reduce regional disparities by promoting industrialisation in rural and semi-urban areas. This decentralisation of industries supports balanced regional development and provides livelihood opportunities, mitigating the challenges of unemployment and migration. The Vidarbha region, for example, contributes 13.60% of the state's MSMEs, which significantly boost local employment [5].

2.7 Sustainable MSMEs: Environmental Practices in Action [1]

The ongoing adoption of sustainable practices by MSMEs is essential to balance economic growth with environmental responsibility. Many MSMEs in India have adopted eco-friendly production techniques which focus on minimising environmental impact while maintaining profitability [1]. Some of the good examples of sustainable MSMEs can be seen in the renewable energy and green products sectors. MSMEs operating in solar energy, waste management, and organic farming are driving innovations which help reduce dependency on fossil fuels and enhance resource efficiency. These enterprises contribute significantly to the SDGs, particularly SDG 7, SDG 13, and SDG 11 [1].

2.8 The Surat Textile and Diamond Processing Industry

One interesting case is that of Surat. The city is one of the oldest textile and diamond processing and trading hubs in the nation. Industrial development of this city is dependent on these units and petrochemical plants. But the ecological damage has been sustained due to this, with air quality taking a major hit. The presence of inefficient small boilers and coal to produce energy are cited as the major reason for the emission of Particulate Matters. Furthermore, the absence of Air Pollution Control Devices is widespread among the plants. A study by the World Resource Institute predicted that installation of efficient units along with control devices can reduce the pollution in the cluster by 70%.

3.0 Broader Implications for Policy and Practice

The integration of sustainability into MSME operations can provide these enterprises with a competitive edge in an increasingly eco-conscious global economy. Green certifications, such as ISO 14001, and the adoption of energy-efficient technologies and circular economy principles can help MSMEs access new markets, compete globally and enhance their reputation with environmentally conscious consumers and businesses

[12]. The social effect of this will also be felt, especially when there is a promotion of self-employment and entrepreneurship in the Viksit Bharat plan. The World Bank states the economic losses associated with air pollution to be significant for India, showcasing the need to priorities the actions-based approach and equipping MSMEs to limit the problem.

Another plan could be to design a model and figure out the variables, which can help in ranking different units across the nation based on their performance and effort in the sustainable direction. This approach can help in incentivizing those working and motivate others to do the same.

Lack of data is a major challenge to evaluate the energy consumption and emissions, with a large number of units not monitoring their fuel consumption. Awareness regarding the simple automations and productivity boost due to reduced energy use can work in everyone's favour. Multiple studies voice out the similar challenges. Many small businesses avert from the technical adoption of better practices due to above stated reasons. There exist many plans to assist industries with their conversion to clean energy measures. However localisation and execution of these plans is still an issue. This shows why the goal of good governance is necessary to be there in Viksit Bharat. Pollution control boards, specific ministries and development authorities can address this issue by forming cluster-specific 'Resource Efficiency Plans' to address the environmental concerns of small-scale industries [9]. These cases have also shown that many simple and basic changes can make the overall process more efficient and environment friendly, and it just needs a basic pushover to do so.

4.0 Conclusion

The journey of MSMEs toward sustainability offers crucial lessons for India's Viksit Bharat aspirations. As demonstrated by the cases, MSMEs can become drivers of sustainability through targeted government support, access to finance, and innovative practices. The successful adoption of energy-efficient technologies, circular economy principles, and socially inclusive practices in sectors such as textiles, automotive, agriculture, and IT underscores the economic and environmental benefits of sustainable transitions. Government schemes like CLCSS, TEQUP, MSE-GIFT and MSE-SPICE have been instrumental in providing the financial backing necessary for MSMEs to make sustainable investments, while green financing schemes have enabled enterprises to adopt energy-efficient technologies. Moreover, the integration of circular economy principles can be economically viable [8]. The social impact of sustainability, powered by the EDSP scheme, highlights that how MSMEs can contribute to inclusive growth. The organic farming enterprise in Maharashtra exemplifies how sustainability and social development can coexist, providing employment opportunities and promoting gender equality.

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ADAPTATION OF E-COMMERCE CHANNEL BY MSME IN INDIA

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ABSTRACT

Adaption of e-Commerce channel by MSME businesses in India is a study on the use of e-commerce channels by MSME industry and the contribution of this channel to its profitability and success. The study also examines the factors for the success in e-Commerce and whether digital media initiative launched by the Government, has benefitted the MSME industry in India.

Business-to-business (B2B) e-commerce channel is gradually maturing across the world, whereas in India, it is still at the nascent stage. Globally, almost 90% of e-commerce transactions are said to be of B2B type and only 10% are of B2C type. Although, definite data is not available, the share of B2B in India is also expected to be similar. Experts have predicted that, India's B2Be-Commerce will be worth Rs 45 Lac Cr (US $700 Billion), by 2020 (Business Standard 2016).

Digital India is an enabler of growth for e-Commerce of both B2B and B2C types, in India. It presents a great opportunity for MSME companies, who want to take advantage of this digital technology to expand their businesses. The e-Commerce platforms can enable MSME, to optimize procurement and expand their customer reach. For the MSME, using e-Commerce channel is an opportunity like a low hanging fruit and helps them achieve faster growth, at a relatively lower cost as well as fetch a better profit margin.

There are basically two models of e-commerce. First is known as "Market Place" model, which works like exchange for buyers and sellers. The model works as a facilitator of e-commerce. The second is an "Inventory Based" model. In this model, the inventory of goods rests with the e-Commerce platform, either as consignment or as bought out stocks. This model is engaged in ecommerce directly. Indian e-Commerce industry is characterized by "Market Place" model. This allows a large number of manufacturers/traders; especially MSME's to list their products and services on the online "Market Place" and benefit from enquiries and orders(Evolutionofe-Commerce,PWC).Accordingtoexperts, the current growth rate of market places is 60%, as compared to 30% for the inventory based model.

The question that this study investigates is, whether the MSME industry has taken advantage of e-Commerce channel and digital India infrastructure, that is developing at a fast pace in the country and if so how?

Keywords: *E-Commerce, Channel, Digital Media, MSME, Factors, Market Place, Exchange, Consignment, Inventory, Model, Infrastructure, Pace*

INTRODUCTION

Adaptation of e-Commerce channel by MSME in India, is a study on the use of e-commerce channels by

MSME in India and the business expansion they have been able to achieve through this medium. The study also examines the benefits and use of e-Commerce has brought to the MSME industry, the effect of digital India and the factors that can be attributed to the e-Commerce channel, for the success or failure.

The study covers different segments of MSME industry, including traders, manufacturers and service providers.

According to a NASSCOM report, the BPO industry will contribute around 10% of India's GDP, by the year 2020. With digital India initiative and the widespread access to mobile internet across the country, business through e-commerce could contribute a much higher % to the GDP.

Globally, almost 90% of e-commerce transactions are said to be of B2B type and only 10% are of B2C type. Although, definite data is not available, the share of B2B in India is also projected to be similar as most online transactions are B2B in nature between online platforms or portals and the industry. B2C transactions, where the industry deals directly with the customers are far less, as mentioned above. According to a recent study in India, most e-commerce transactions are believed to be happening in the travel and ticketing space. Online travel, which is B2B accounts for 61% of e-Commerce in India, 29% are in non-travel, B2B goods & services and the balance 10% are in B2C categories (IAMAI-IMRB study, 2014). In 2014, about 40 million customers made an online purchase in India, a number which is expected to have risen to 65 million, by the end of 2015. (Mesmerize and Sell smart-KPMG, 2015).

For the MSME using e-commerce channel is an opportunity like a low hanging fruit and it could help them achieve faster growth and expand at a relatively low cost. It may also enable them to fetch a better profit through savings in cost, incurred for traditional inter-mediation. However, adapting to e-commerce is considered a technological challenge for MSME's in India, as many of the units in this sector lack resources with digital skills, to exploit this channel properly.

The digital India initiative was launched by the Prime Minister of India and has been taken up by the MSME Ministry. The National Small Industries Corporation (NSIC) offers an bouquet of services, through a single window, giving information on business, technology and finance to SME's. The Ministry has also adopted the e-Office concept with a paperless system, to enable SME businesses to work digitally with the Government. The Ministry has also taken up interactive interface, related to various schemes, etc. for SME through social media channels. MSMEMART is a government run e-Commerce platform for MSME to market their products as well as for purchase of raw materials, semi-finished products and services.

Business-to-business (B2B) e Commerce market is gradually maturing a cross the world, where as in India, it is still at the nascent stage. Experts have predicted that, India's B2B e-Commerce will be worth Rs 45 Lac Cr (US$ 700 Billion), by 2020 (Business Standard, 2017). B2B e-Commerce in India shows a large untapped potential for growth and presents a great opportunity for MSME companies, who want to take advantage of this latest technology to scale their operations. The e-Commerce platform can help them to expand their market at a lower cost and also enable them to procure raw materials, directly from producers at better prices.

Indian e-Commerce industry is characterized by "Market Place" model. This allows a large number of manufacturers/traders, especially MSMEs to display their products on the online "Market Place" and benefit from enquiries and orders. MSMEs have limited financial and human resources, to implement E-commerce. MSMEs are no different from their larger corporate cousins in one key aspect; namely, to survive and prosper in competitive business areas, however, the larger corrmpanies do not have a problem to tap resources use e-Commerce channels for efficiency.

The techno-commercial difficulties for MSME's, to maintain their own website and digital market, their products overcome by this model, which is offered by online platforms like "Amazon", "Alibaba", "India Mart", "MSMEMART" etc. US, Japan and Europe are characterized by 'inventory-based/independent model. (E-Commerce Business in India, Micro-Finance India, 2014) 'Market Place' model only provides platform to a large number of manufacturers/traders (especially MSMEs), to advertise their products in an online catalogue (which translates to benefit the MSMEs in the form of increased turnover), as well as managing related functions and in turn the entity earns commission from sellers of goods and services.

OBJECTIVES OF THE RESEARCH STUDY

1. The major objective of the study was to investigate whether ,the MSME industry was taking advantage of e-Commerce and digitization, that is happening at a fast pace in the country, over the last 5 years.
2. To identify the factors tha thaveenabled MSME's, to adapt to e-commerce channel to expand their business.
3. To assess the benefits tha thaveaccrued to the MSME industry, from the use of thee-commerce channel.

METHODOLOGY

1. The principles of a descriptive study were adopted.
2. An extensive secondary research study was carried out of articles, research papers and studies on e-Commerce in India, with particular reference to the MSME industry.
3. Primary data were also collected from respondents, identified from MSME units. The data were collected online, through Google forms fromnearly75 units of the MSME industry in Bangalore, covering manufacturing services and trade. A custom made questionnaire was used for the study.
4. An attempt was made to cover all sections of the B2B industry, including Travel & Hospitality, FMCG, Electronics, Auto, Other Engineering products & processes, Fashion & Footwear, Health & Wellness, Infrastructure & Real estate development and Services, including both Financial & nonfinancial services.

MSME SECTOR IN INDIA

MSME (Micro, Small and Medium Enterprises) has been defined by Govt. Of India as businesses, which are engaged in a) production, processing, and preservation or b) rendering of services, whose investment in assets like plant, machinery, or equipment (excluding land, building and furniture) is as specified under:

Micro enterprises – For a) Less than Rs 25 Lacs; b) Less than Rs 10 Lacs

Small enterprises – For a) Rs 25 Lacs to Rs 5 Cr; b) Rs 10 Lacs to Rs 2 Cr

Medium enterprises – For a) Rs 5 Cr to Rs 10 Cr; b) Rs 2 Cr to Rs 5 Cr

As per a census carried out recently there were 15.6 Lac registered as MSME units in India and nearly 190 Lac unregistered units. Among the registered units, 45% were in rural areas and among unregistered units, 60% were in rural areas. (MOSME Annual Report for 2015-16). The MSME sector has been experiencing steady growth in India with thetacit support from the Govt. and is expected to mature and reach a level of US$ 3.5 Trillion (Silicon India 2017) by 2020 contributing to 36% of the projected GDP of around US$ 9.6 Trillion (www.forbes.com 2011).

While e-commerce has been growing phenomenally in the last decade in India it has not as yet been adopted bya vast majority of businesses as well as customers. The growth in mobile connectivity, the launch of mobile payment banks and the access to e-commerce sites through smart mobiles has given a fillip to this medium in India in the last three to five years. The advent of pure play B2B e-Commerce platforms like Alibaba, India MART, Tolexo. PrintVenue, Kobster, mJunction, MSMEMART etc. has been going on unnoticed by the popular media, who have been focusing on portals Amazon, Flipkart, Myntra, Jabong, Snapdeal etc. who mostly are B2C front end and B2B back-end. According to media reports, these popular portals are making losses at present, in order to acquire customers and change their shopping habits.

On the other hand, most of the pure play B2B e-Commerce ventures are quietly achieving more revenue, higher profits and better customer relations. During 2014 alone, it was reported that leading e-commerce B2B platforms added over100,000 SMEs and regional artisans on their e-Commerce platforms.According to an industry report, India's B2B e-Commerce is worth around Rs 19.3 Lac Cr (US $287 Billion).As stated earlier, it is even more certain now that B2B e-Commerce in India would reach Rs 45 Lac Cr (US$ 700 Billion) by 2020 (*CII-Deloite India LLP report*). MSME businesses should gain exponentially by resorting to e-Commerce according to another report that has predicted a growthof 51% for B2B e-Commerce in India, which is the highest in the world (*Assocham-Forrester 2016*).

Considering this background about the growth of b2B e-Commerce in India this study examines at the micro level the question whether pure play b2B e-Commerce has benefitted the MSME industry in India and if it has how?

CONTRIBUTION OF B2B E-COMMERCE TO MSME BUSINESSES

In order to examine the contribution of b2B e-Commerce to MSME businesses, the enablers and drivers for MSME industry needs to be identified. The MSME industry faces a number of challenges despite the efforts of the Governments to provide them relief with policies. The enablers that can overcome the challenges faced are i) High inventory carrying costs ii) High prices for limited quantity purchased and iv) Cost of intermediaries. v) Payment delays and the transit time for outstation collections. Each of these challenges could be easily overcome with the help of B2B e-Commerce.

The drivers for MSME business are i) Customer reach to a wide area, ii) Availability of information to the customers when required. iii) Better and more efficient logistics iv) Better prices to the customers with the removal of traditional intermediaries margins & commissions. v) Facility of receiving digital payments and vi) More economical advertising and promotion through digital marketing channels like social media, etc. v) Analytical data on the market and customer. Most of the drivers for growth in MSME industry can be effectively addressed by b2B e-Commerce.

Solutions that B2b E-Commerce can Provide

Key Enablers

1. The b2B e-Commerce players can help the MSME industry to get access to easy and timely finance for their WC or other needs through their contacts with Non-banking finance companies and cloud funds. Lack of collateral may also deter Banks but e-Commerce companies can evaluate a business by their cash flows, customer relations and strategy deployed by the management.
2. Online e-Commerce platforms can provide MSME's with an opportunity to directly deal with

manufacturers and suppliers. This can bring down the cost of procurement both by removal of intermediaries as well as ability to make long term contracts.

3. Several b2B e-Commerce platforms have created spoke and hub models for supply chain management, which enables MSME partners to bring down both inventory carrying and downtime costs.
4. Direct contact with the supplier can also facilitate technological assistance from suppliers to overcome technical complexities that may be faced by the MSME if any.
5. The advantage of digital payments through gateways is a great benefit to MSME industry. The b2B e-commerce platforms also provide the service of collecting payments against delivery and crediting sellers account digitally saving transit time especially for out of station customers.

Key Drivers

1. Throughtheb2B e-Commerce marketplace model the MSME's can get an extensive customer reach and access to a wider customer base. The e-Commerce platforms are well known in the b2B circles and keep investing in bringing businesses together by reaching deeper and wider across the country and even internationally.
2. Digitization of logistics turnaround throughb2B e-Commerce platforms makes it possible for MSME's to provide better value to their customers by saving cost on their supply chain and inventory.
3. With the ability to offer products and services directly to customers on b2B e-Commerce platforms the cost of intimidation can be offered at a discount or mutually shared through negotiations. It can also help with better customization if required and improve customer relations.
4. Digital channels provide an economical and effective space for communicating advertising and promotions to the target audiences. Most e-Commerce platforms also have links provided on leading social media channels and provide a symbiotic relation to their partners in spreading awareness about their products and services.
5. Most b2B e-Commerce portals generate, store and analyze the data about customer activity online on the portal, including the products, prices and technical details viewed, time spent on each page, orders placed and purchases made over a period of time. Preferences including time for delivery, location, order quantity, packaging, choice of logistics, method of payment etc. are also analyzed. Such analysis can be of immense help to MSME units who lack both the data as well as resources to analyze it.

Major Challenges Faced By MSME in E-Commerce

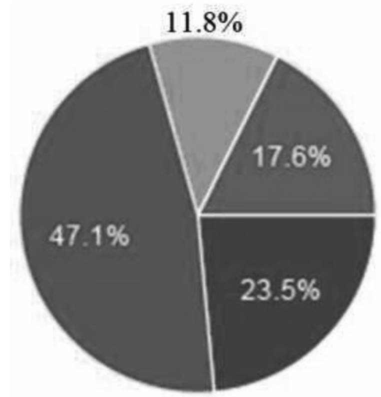
Despite the high potential of E-commerce, Indian MSMEs' have shown a slow adoption rate for going digital. (Sinha P and Singh S, 2016). Poor supply chain Infrastructure combined with lack of trust, especially about MSME firms who lack brand visibility. The known intermediary like a dealer or distributor is considered more trustworthy.

Almost, 89% of the population in India still does not have an internet connection. This fact discourages MSMEs from taking the extra burden of change and transition. The perception that installation and implementation of new technology has a huge cost brings unwillingness to change and adopt e-commerce channel for expanding the business amongst MSME businesses.

MSME in India is mostly family business and lack awareness about the potential benefits of e-commerce or the b2B e-commerce ecosystem.

MAJOR FINDINGS FROM THE RESEARCH STUDY

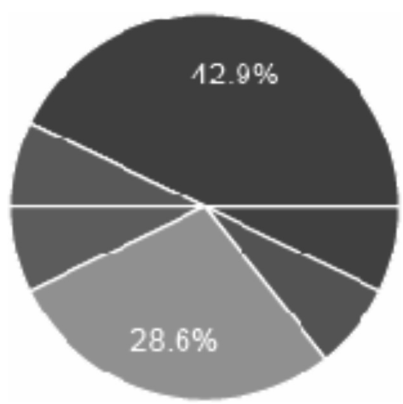
Type of Business



Producer or Manufacturer:	11.8%
Service provider:	47.1%
Seller or Trader:	17.6%
Other:	23.5%

It was found that service providers (47.1%) especially in travel & finance are more prone to using e-commerce than both pure play manufacturers (11.8%) and traders (17.6%). Other category included those who were in IT projects, Construction and Education which would also fall in the services sector.

Category of Business

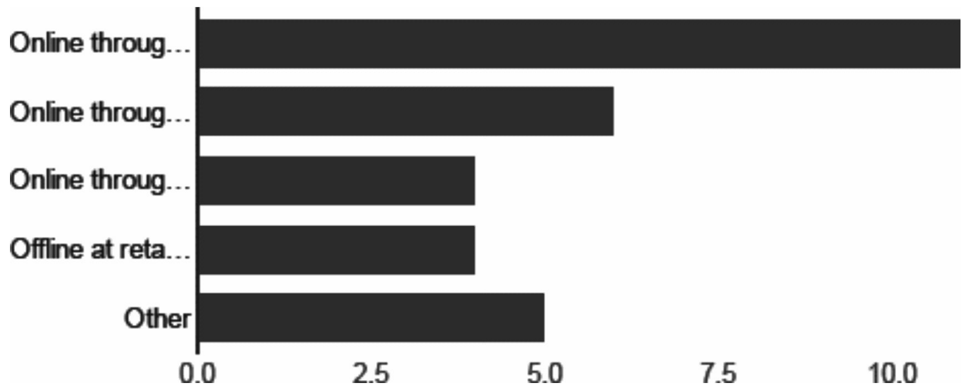


Textile, Apparel and Accessories	- 7.1%
Electronics, Mobiles, Computers, TVetc.	- 7.1%
Homedecor, Furniture and Furnishings	-.7.1%
Medical, Health & Wellness	- 7.1%
Grocery, Pharma &Food products	- 28.6%
Other Services	- 42.9%

The category of businesses using e-commerce platform as one of the sales/distribution channels is an important requirement. It appears that Services, including ITES, Finance and Education are predominantly using the e-tail channel;

Grocery, Pharma and Food products seem to have the next highest share, followed by consumer electronics, lifestyle fashion & footwear and Household goods in that order. However, the above shares are based on pilot survey data andhence may be indicative of the true trend.

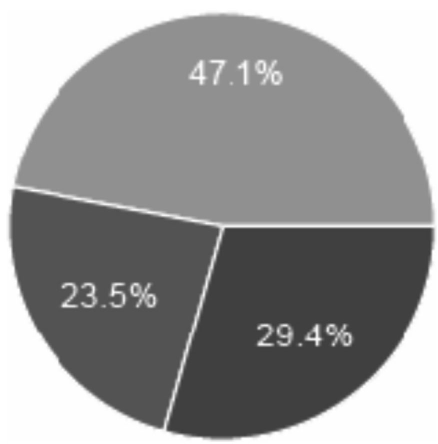
Selling Methods Adopted by MSME Companies Using E-Commerce



Online through own website	– 66.7%
Online through mobile App	– 33.3%
Online through e-commerce portals like Amazon, Flipkart, MSME MART etc.	– 27.8%
Offline at retail or wholesale channels	– 27.8%
Other methods, including Teleshopping, Catalogue and Direct	– 30.4%

Respondents were allowed to choose multiple options to understand the leading sales channels used by MSME currently used for sales and distribution. It shows that more MSME's are using their own website and mobile App's in addition to e-portals like Amazon, Flipkart, India Mart, Ali Baba etc.

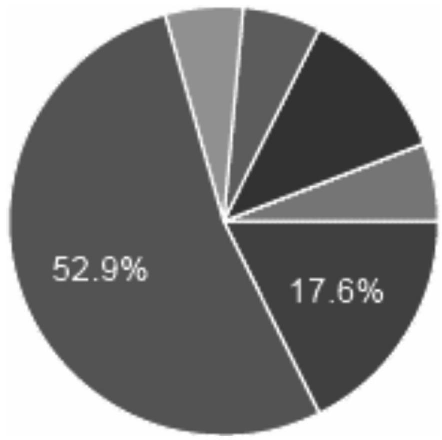
Starting an E-Commerce Business by MSME



Before 2008:	29.4%
2008to 2014:	23.5%
After2014:	47.1%

It is evident that the confidence in e-commerce has been improving and the number of MSME units taking up the e-Commerce for sales & distribution has increased significantly since 2014. It is also in line with the push for digital India given by the Government with almost a 50% increase in respondents confirming they commenced business online after 2014.

Reasons for MSME to Go to E-Commerce



Wider market reach: 52.9%

E-Commerce based startup: 17.6%

Faster expansion & rgrowth: 11.8%

High cost of retail real estate: 5.9%

Avoiding middlemen: 5.9%

Customer convenience: 5.9%

Most of the MSME's indicated that the main reason to go for e-Commerce was to widen the market and reach a larger number of customers. It was also noted that many of the start-ups that are coming up are launching their business using e-Commerce channel.

A number of respondents indicated that they adopted the e-Commerce for business as it helped them in scaling faster for expansion and growth.

Reasons like high cost of real estate, avoidance of middlemen and providing convenience to customers were the other reasons for going online although relatively less important.

Growth of MSME Business in the Last 3 Years

Year	2012-13	2013-14	2014-15	2015-16
Sales				
0 – Rs 1 Cr	81%	75%	75%	53%
Rs 1 Cr – 5 Cr	13%	19%	18%	24%
Rs 5 Cr – 10 Cr	0%	0%	11%	5%
Above 10 Cr	6%	6%	12%	18%
Total	100%	100%	100%	100%

(Cr = Crore; 1 Cr = 10 Million)

The tabulation shows that the growth of MSME business has received a boost in the last 4 years. Particularly those with sales below Rs 1 Cr have seen their sales rising. The Sales have been rising up to Rs 5 Cr in 3 years and then getting to above Rs 10 Cr in the 4th year.

The trend indicates that the number of MSME business whose Sales have risen to a level from Rs 1 Cr to Rs 5 Cr have doubled in 2015-16 while those whose Sales have risen above Rs 10 Cr have tripled since 2012-13. The overall business environment for MSME's it appears has improved after 2014 when they adapted to e-Commerce.

Share of Online E-Commerce in MSME Business

% Online	2012-13	2013-14	2014-15	2015-16
Below 25%	88%	82%	62%	38%
25% - 50%	6%	6%	13%	38%
50% - 75%	0%	6%	6%	0%
Above 75%	6%	6%	19%	24%

The share of e-Commerce in MSME business was growing steadily till 2013-14, but it got an impetus and started growing in leaps after 2014-15. MSME respondents reported that on an average 80% of them had e-Commerce Sales below 25% in 2012-13, but with increasing adaptation of e-Commerce mode in the industry by 2015-16 nearly 62% saw their Sales go up. Around 38% saw it grow to a level between25% to 50% and 24% saw their businesses grow above 75% through e-Commerce.

Changes in Business Strategy Due to E-Commerce

MSME industry recognized early that they needed to make significant changes in their traditional methods of business and adapt to modern or up to date in product features and packaging. The study validates this position.

Product & Packaging

Introduced a bigger range of products/services – 50%

Introduced new features in existing products/services –50%

Introduced extra charges for special delivery to customers –19%

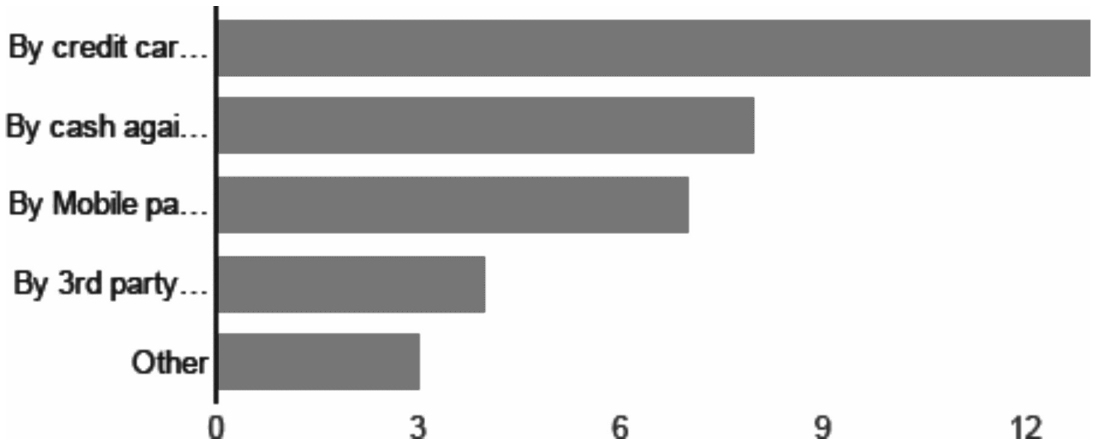
Offered special discounts to attract customers online – 50%

Developed special packaging for delivery to customer – 44%

The success factors for online e-commerce by MSME in the last few years shows an equal emphasis by 50% of the respondents a) By introducing a bigger range ofproducts and services, b) Bringing new features to existing products or services and c) Offering special discounts for buying online. It is indeed a revelation to note that it is not the special discount factor alone, which is believed by many observers to be the main reason for the attraction to buy online. Range and features also have, according to the respondents, an equal impact!

Only 44% respondents felt the need to develop a special packaging for online. This was because more than 50%of the respondents where service providers. When only the product suppliers are taken, this % can go up. So developing a special packaging for customer delivery is an important factor for all product suppliers in online e-commerce.

Payment Collection



By net transfer on payment gateway: 77%

By acceptance of documents through bank 47%

By digital payments through mobile 41%

By3rdpartyportal payments: 24%

By other methods, including check/DD etc., 17% MSME business seems to have taken to digital modes of payments quite well! A majority of MSME respondents is accepting non-cash modes of payments Viz 77% by cards and net transfer, 41% by mobile App and 24% from payment portals!

Cash mode of payments, especially CAD in e-commerce is being offered to customers, according to respondents due to a general lack of trust of unseen products and unknown suppliers. Cheque mode of payment is found acceptable in B2B transactions and mobile App or 3rd party portal payments for B2C transactions.

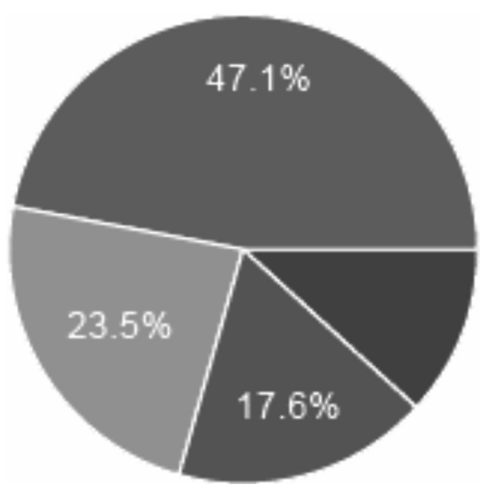
Delivery Time Lag

Same day: 12%

Next day: 18%

2-5 days: 23%

More than 5 days: 47%



A majority (53%) of the MSME sector respondent's confirmed that the delivery is made to the customer within 5 days. Delivery time for online e-commerce is critical, according to the respondent's. But it appears to be a challenge asonly 30% of the respondents are delivered on the next day!

How much of this challenge is due to difficulties with logistics? How much is due to the pending orders or inability to keep stocks? These questions need to be examined in depth for both products and services.

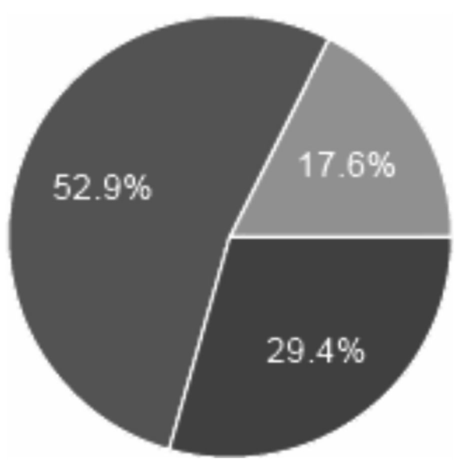
Promotion of Online E-Commerce

Offer additional discounts for referrals to customers	– 59%
Share testimonials on social media	– 53%
Feedback through ranking	– 29%
Loyalty points	– 6%
Other methods	– 23%

It appears to be a popular practice amongst MSME to offer additional discounts to customers for giving referrals. Sharing testimonials given by customers on social media is also done frequently by most MSME's. Ranking is not so popular amongst all MSME's and only a third of them seem to seek it.

Loyalty points are used by relatively fewer MSME probably due to its inherent high cost. The other methods of promotion followed by almost a fourth of the respondents included Pop-ups, SMS ads and internet ads.

Discounts for Online E-Commerce Customers



No discount – 29%

From 5% to 15% – 53%

From 15% to 25% – 29%

Discounts of 5% to 15% were given by more than half of the MSME respondents to promote their online e-commerce sales. It appears to be a popular method of sharing the benefits of dis-intermediation with the customers.

While this inference was not so surprising it was considerably surprising to learn that nearly a third (29%) of the respondents said they gave no special discount to online e-commerce customers. Considering that e-Commerce platforms are accused by offline retailers of offering unreasonable discounts to attract customers this would mean it is not universally applicable and points at the e-portal to e-portal competition between Amazon and Snap Deal or Flipkart.

Experience and Impact Due to E-Commerce for MSME Businesses in India Impact on Marketing

Number of customers increased – 71%

Increase in average billing per customer – 47%

The promotion cost goes up – 36%

Profits increased – 24%

Stocks/Inventory increase – 12%

Reduction in advertising costs – 6%

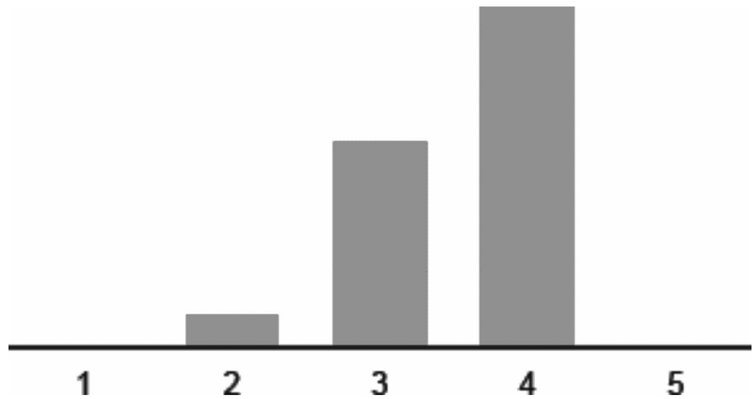
Others not disclosed – 23%

A majority (71%) of respondents agrees that e-Commerce has enabled MSME's in India to scale their businesses and access a larger number of customers

It has resulted in a significant increase in average billing per customer is the next big impact for MSME's. A quarter of the MSME respondents also admitted to a healthy increase in profits after going to e-Commerce which is an important positive feedback. This validates the belief that the cost of intermediation or middlemen is being shared between both the customer and the producer. Few of the MSME's (6%) also reported a reduction in overall advertising costs as a % of Sales.

On the negatives idea smaller not so significant number (12%) admitted to increase in stocks on one hand. Nearly a fifth (23%) however, did not categorically disclose the impact due to e-Commerce in their business.

Business Compared to Competitors



No comments – 0%

Ok compared to competitors – 6%

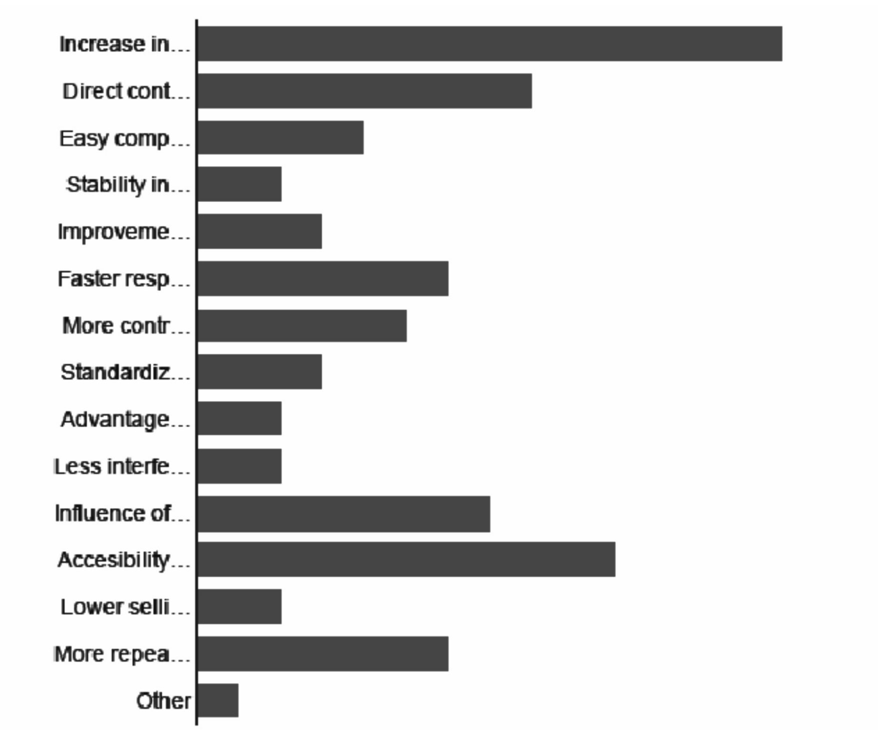
Good compared to competitors – 35%

Very good compared to competitors – 59%

Most of the MSME respondents (94%) using online e-commerce felt that they were performing better comparedto their competitors in the industry. In fact a majority (59%) felt that their business was “Very good” compared to their competitors.

Hence it can be surmised thate-Commerce had played a key role in the success of MSME businesses.

Key Attributes and Factors for the Success in MSME Business Due to E-Commerce



Attributes

Increase in awareness of company and products	– 82%
Direct contact with customers	– 47%
Easy comparison with competitors	– 24%
Stability in pricing	– 12%
Improvements in cash flow	– 18%
Faster response to customers	– 35%
More control over deliveries	– 29%
Standardization and quality improvement	– 18%
Advantage over competitors	– 12%
Less interference by middlemen	– 12%
Influence of social media	– 41%
Accessibility to customers	– 59%
Lower selling expenses	– 12%
More repeat customers	– 35%
Others	– 6%

The majority of them (82%) felt the increase in awareness of the customers of the company and products as a major reason for effect on the business. Since most of these companied on budget for any large scale advertising, online e-Commerce appears to be the only way to communicate with customers directly. Accessibility to customers (59%) and direct contact with customers (47%) are the next important reasons which once again corroborate the importance of customer communications. The influence of social media (41%) has also been recognized as an important reason by many of the respondents. This is now becoming important for all businesses and especially for those in online e-commerce. Faster response to customers (35%), More repeat customers (35%) and More control over deliveries (29%) are found to be important by a third of the respondents.

It is important to understand the reasons for business success from the protagonist point of view. MSME businesses who are using e-Commerce gave multiple attributes for the success of their business which was analyzed using principal component matrix (Chuck Chakrapani; Statistics in Market Research, 2004). The rating of respondents produced 4 factors with eigen values greater than one. The factors based on weightage contributed by multiple attributes are shown below:

Factor	Attributes	Weightage
Customer contact	2, 6, 12 & 14	48%
Competition	3, 9	13%
Confidence building	1, 10, & 11	15%
Consistency & control	4, 5, 7, 8, & 13	24%

Customer contact which includes accessibility and faster response has been the biggest influencing factor in e- Commerce, contributing to the success of MSME businesses, according to respondents and has a weight-age of 48%. The next important factor is Consistency & control which include the attributes of price stability, cash flow, controlled delivery, standardization and quality improvement and lower selling expenses; it represents a weight-age of 24%. Confidence building factor which includes the influence of social media has been given a weight-age of 15% by the respondents and Competition factor the least weight-age of 13%.

MSME's Selling On External Online Portals

GOVT. PORTALS LIKE NSIC, MSME MART ETC.	– 6%
B2C PORTALS AMAZON, FLIPKART, SNAPDEAL ETC.	– 24%
b2B PORTALS INCLUDING INDIAMART, ALIBABA ETC.	–70%

A significant number of respondents (70%) were doing e-Commerce transactions on b2B portals like India Mart, Ali Baba and other portals which they were not ready to disclose for reasons of confidentiality. It is a known fact that there are innumerable numbers of b2B portals as mentioned earlier, which are less known, but have a major share of the e- Commerce business in India.

The category of MSME's on b2C portals (24%) is also carrying out transactions on multiple platforms through their own websites. Hence the stock remains with them and delivery happens directly to the customer. The portals only provide information and communication on orders or enquiries from customers.

Govt. Portals, both b2B and b2C seem to be less popular at present (6%) but this may be because they have been launched recently and some of the respondents weren't even aware of them!

Suggestions for Digital India

Improve ease of internet connectivity for e-Commerce all over India	–53%
Comprehensive cyber laws	– 29%
Exempte - Commerce start-ups from GST	– 11%
Restrict FDI in e-Commerce	– 4%
No suggestion	– 3%

While a significant number (53%) of respondents felt that the Government should improve the infrastructure fore-Commerce in the country and provide access to internet Wi-Fi services all over the country. Around a third (29%) felt that comprehensive cyber laws should be promulgated as the current laws do not adequately cover the legal requirements in e-Commerce. Some (11%) demanded that e-Commerce; start-up should be exempted from GST. Few (4%) felt that FDI should be restricted. Overall the feedback appears to be positive from MSME's who feel that e-Commerce channel is beneficial for their business.

CONCLUSIONS AND RECOMMENDATIONS

Appreciating the Present Scenario

Positive Features

1. The MSME industry in India has been using the e-Commerce channel and the usage has increased since 2014.The share of Sales through e-Commerce has also increased considerably in the last 3 years since 2014.
2. India's ecommerce industry is experiencing a spurt in growth. The Online Travel Industry is the main sector of e- Commerce today and is thriving due largely to the Internet usage by the urban population. The other segments, categorized under online non-travel industry, include Online retailing/selling of

goods and Online booking of services. Online classifieds and Digital Downloads are still in a nascent stage in India.

3. Several b2B players have been able to get tie up with the banks and other financial institutions for supply chain finance, which helps in providing access to credit.
4. Currently, 100 % FDI is permitted in B2B e-commerce under the automatic route. Although in B2C e-commerce FDI is still prohibited.
5. Adapting e-Commerce channels has helped technology enabled MSMEs to challenge traditional business domain and show a significant growth over the last few years.
6. By transcending geographic boundaries e-Commerce has leveled the playing field. It has enabled visibility and trade between buyers and sellers who are located across distant geographies.
7. Online transactions supported/enabled by reputed e-Commerce organizations can allay fears rooted in perceived trust deficit with features such as rating systems, feedback mechanism, blacklisting, payment options and tools, security and trust certificates.
8. 85% of the MSMEs whom adopted e-commerce believe that it is a cost effective medium to grow sales. It has been found that MSMEs who actively adopted the internet for their business activities have been able to achieve 50% higher revenues.

Negative Features

1. Lack of internet connectivity due to underdeveloped infrastructure in large sections of the country which is semi- urban and rural is a major barrier.
2. Inadequacy in supply of electricity, transport, roads and communication, etc., also acts as a barrier.
3. Low or no awareness about the benefits of E-commerce in a large number of family owned MSME's is another barrier
4. General lack of trust for unseen or not personally known business born out of the experiences of malpractices, fraud and counterfeit goods are a major barrier for e-Commerce
5. A significant section of the MSME industry in India has not understood the customer data capturing ability or analysis capability of e-Commerce which can be leveraged to expand their business.
6. MSMEs in India have long suffered from the "missing middle" syndrome. Many Indian MSMEs do not want to expand and become middle-sized enterprises and hence show no signs of transformation or expansion. The reasons could be attributed to fear of being monitored, non-compliance and lack of governance by MSME businesses, many of whom are unregistered and carry out cash transactions to avoid proper payment of taxes.
7. Only 11% of Indian MSMEs participate in the country's share of export revenues of the traditional SMEs export of goods and services.

Future Outlook for MSME in E-Commerce

1. Evolution of a logistics landscape in the country will be a very important factor in determining the course for thee-Commerce in India. Logistics evolution will be necessary to realize the potential robust growth. Despite a huge potential, long term profitability of the MSME industry in the country is subject to scaling which requires adapting technologies like e-Commerce. The wafer-thin margins

and sub-optimal infrastructure results in higher delivery cost and leads to lower profitability. This needs to be corrected in order for MSME to grow on the back of e-Commerce channels.

2. FDI in the inventory-led b2C will also be an important factor in shaping up the future of the MSME industry. In the current scenario, global e-Commerce giants like Rakuten and Alibaba are still eyeing their entry into Indian market. Amazon the American e-Commerce giant has recently announced a US$ 2 Billion investment in a marketplace model in India. It has also launched Amazon Web Cloud services for those who wish to take the faster adaption of technology route. FDI in such areas would be a vital factor in attracting significant investments resulting in better infrastructure and robust supply chains.
3. Evolution of taxation policies in the country will in a large way affect the way industries practice warehousing. With uniformity in taxation laws across the country under GST e-Commerce platforms are expected to move closer to consumption centers with an aim to address the duplicities in the logistics chain by removing the overlaps in the form of delivery and sorting centers. It will also result in uninterrupted access to the market through these e-Commerce channels. As a part of the GST rollout in India, the Revenue Department has announced that it will prepare 'place of supply' rules that will comprehensively cover taxation of e-commerce. This could be the way forward for the expansion of MSME business through e-Commerce channels.
4. Taking a holistic view of the industry trends, e-Commerce one can say is poised for an exciting period of exploding growth in the next 3 to 5 years. This is expected to lead to both to substantial investments in supporting infrastructure and innovative game changing business models.
5. Leveraging Data analytics would make MSME leanest and remove inefficiencies. Industry associations, across domains could collaborate to generate awareness in this field and its impact on business efficiency from understanding customer behavior to increase efficiency in manufacturing and supply chain.
6. The market place model is doing well in the country as corroborated by the survey and has proved to be a successful route for MSME. Hence, this new normal of digital India should be maintained and expanded to reach the entire country.
7. Government should focus on 'ease of doing business', also parity in online and offline commerce should be maintained so that both can co-exist. Legislations should also allow issuance of digitally signed electronic invoices. Electronic invoices should be treated as valid documents for claiming the tax credit as VAT under the GST.
8. In order to improve trust in MSME's the e-Commerce portals that run market places should share information with other portals in the industry about malpractices by a seller. A black list could be generated which lists the names of the companies and the owners/Directors who are involved in the business. Also laws should be made for severe penalties for such cheating and counterfeiting. These actions will deter those who are unscrupulous and also encourage others with genuine business intentions to participate more vehemently.
9. Considering all advantages and disadvantages of both offline and online channels an Omni-channel approach isthe way forward for the immediate future. For the long term both the industry and the Government must keep consumers at the centre of the policy formation on e-Commerce and adaptation of it by the MSME industry. This is recommended as the way forward.

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IMPACT OF ARTIFICIAL INTELLIGENCE ON HRM IN RURAL TEXTILE ENTERPRISES

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ABSTRACT

Artificial intelligence is a technology that allows machines to think, comprehend, and execute duties that were previously performed by humans. Over the past decade, artificial intelligence has expanded at an unprecedented rate. Textile companies are able to make more informed and efficient decisions with the assistance of artificial intelligence. This is equally applicable to the field of human resources as it is to any other. In order to expedite the recruitment process and improve the overall efficacy of the hiring and selection process, HR recruiters have implemented Artificial Intelligence software. AI technologies present substantial opportunities to improve human resource functions. The relevance and scope of artificial intelligence in human resources within the textile industry are further investigated in this paper.

Keywords: *artificial intelligence, challenges, human resource, rural, textile*

Introduction

Artificial Intelligence (AI) has emerged as a revolutionary technology capable of transforming various industries by augmenting decision-making processes and operational efficiencies through data-driven insights (Smith, 2023). Particularly within the textile sector, AI's integration has marked a significant paradigm shift, empowering organizations to optimize resource allocation, enhance productivity, and streamline human resources management (HRM) practices (Jones, 2022).

In recent years, AI technologies have garnered considerable attention for their potential to revolutionize HRM within the textile industry. By automating mundane tasks and leveraging predictive analytics, AI enables HR professionals to focus on strategic initiatives such as talent acquisition, development, and retention (Evans, 2022). This technological advancement not only accelerates the recruitment process but also ensures a more precise matching of job requirements with candidate profiles, thereby overcoming geographical barriers and skill mismatches prevalent in rural settings (Brown, 2021).

Moreover, AI-driven systems facilitate proactive workforce planning by analysing historical data on employee performance and market trends, allowing organizations to forecast staffing needs accurately and align HR strategies with business objectives (Robinson, 2020). This capability is crucial for rural textile enterprises, where access to skilled labour may be limited, necessitating efficient workforce management strategies to meet fluctuating production demands (Taylor, 2023).

Despite the transformative potential of AI in enhancing operational efficiencies and fostering innovation, its adoption in HRM within rural textile contexts is not without challenges. Issues such as digital literacy among employees, concerns over data privacy, and the socio-economic impact on local communities require careful consideration and strategic management (Green, 2021). Understanding these challenges is essential for developing inclusive AI strategies that maximize benefits while addressing potential drawbacks in rural settings (White, 2024).

This paper explores the multifaceted impact of AI on HRM practices within rural textile industries, examining how these technologies are reshaping recruitment processes, workforce planning strategies, talent development initiatives, and sustainability efforts. By synthesizing insights from empirical research and theoretical frameworks, this study aims to provide a comprehensive analysis of AI's role in transforming HRM dynamics and fostering sustainable growth in the digital era.

Literature Review

Artificial Intelligence (AI) is rapidly transforming Human Resources Management (HRM) practices across various industries, including the traditionally labour-intensive and geographically dispersed rural textile sector. This literature review explores evolving landscape of AI adoption in HRM within rural textile industries, highlighting its impact on efficiency improvements and employee perceptions.

AI technologies offer substantial opportunities for enhancing efficiency and effectiveness in HRM functions within rural textile enterprises. Smith (2023) emphasizes that AI-driven tools streamline recruitment processes by automating candidate screening and matching algorithms, thereby reducing time-to-hire and improving recruitment outcomes. This efficiency is critical in rural settings where access to skilled labour may be limited, enabling companies to overcome geographical barriers and optimize workforce planning strategies (Jones, 2022).

Moreover, AI's predictive analytics capabilities facilitate proactive talent management and succession planning in rural textile industries. By analysing historical data on workforce performance and market trends, AI algorithms enable HR professionals to forecast staffing needs accurately, enhancing operational agility and resource allocation (Evans, 2022). This predictive power not only minimizes recruitment costs but also ensures workforce readiness to meet fluctuating production demands.

While AI promises efficiency gains, its adoption in HRM practices within rural textile contexts also raises important considerations regarding employee perceptions and adaptation. Brown (2021) discusses that employees may initially perceive AI as a threat to job security or as a disruption to established work routines. However, effective change management strategies and transparent communication about AI's role in enhancing job roles and skills development can mitigate resistance and foster employee acceptance (Adams, 2023).

Employee attitudes towards AI integration in HRM are influenced by factors such as perceived fairness in decision-making processes and opportunities for skill enhancement. Harris (2021) argues that AI-powered performance management systems, coupled with continuous feedback mechanisms, contribute to a culture of transparency and meritocracy in rural textile workplaces. This fosters employee engagement and professional growth, aligning individual aspirations with organizational objectives.

Despite its transformative potential, the adoption of AI in HRM within rural textile industries is not without challenges. Robinson (2020) highlights concerns related to digital literacy gaps among employees, which may hinder the effective utilization of AI tools. Furthermore, ethical considerations surrounding data privacy, algorithmic bias, and the socio-economic impact of AI on rural communities necessitate careful deliberation and regulatory frameworks (Green, 2021).

In conclusion, the integration of AI in HRM practices within rural textile industries represents a paradigm shift towards enhancing operational efficiencies and workforce management strategies. This literature review has underscored the dual impact of AI on improving HRM efficiency through automation and predictive analytics while addressing employee perceptions and ethical considerations. Moving forward, it is imperative for organizations and policymakers to collaborate in developing inclusive AI strategies that maximize benefits for both enterprises and their workforce in rural contexts.

Objectives of the Study

1. Evaluate the Impact of AI on HRM Efficiency
2. Investigate Employee Perceptions and Adaptation to AI

Research Methodology

This qualitative study employs in-depth interviews to explore the perceptions, experiences, and challenges related to AI adoption in Human Resources Management (HRM) within rural textile industries. The research has engaged 30 HR professionals from diverse rural textile enterprises where AI technologies are being implemented or considered.

Participants have been selected through purposeful sampling to ensure a range of perspectives and experiences with AI in HRM. Criteria for selection include roles directly involved in HR functions and varying levels of AI integration.

Semi-structured interviews have been conducted to delve into participants' insights on AI's impact on recruitment, workforce planning, talent development, performance management, and sustainability initiatives. Interviews have been guided by a predetermined set of open-ended questions designed to elicit detailed responses.

Ethical approval has been obtained, and participants have provided informed consent. Confidentiality and anonymity of participants have been strictly maintained throughout data collection, transcription, and analysis processes.

Thematic analysis has been employed to identify patterns and themes across interview transcripts. Findings have been validated through member checking to ensure accuracy and alignment with participant perspectives.

Results

The results of thematic analysis have been discussed in the following paragraphs.

1. Recruitment Efficiency

Streamlined Candidate Screening

Many HR professionals highlighted AI's role in automating initial candidate screening processes. This automation significantly reduces the time spent on sifting through resumes, allowing HR teams to focus more on engaging with qualified candidates. Participants noted that AI algorithms effectively match job requirements with candidate profiles, improving the efficiency and accuracy of recruitment processes in rural textile enterprises.

2. Workforce Planning

Enhanced Predictive Analytics

AI-driven predictive analytics emerged as a crucial tool for workforce planning in rural textile industries. HR professionals discussed how AI algorithms analyse historical data on employee performance, turnover rates, and market trends to forecast future staffing needs. This capability enables proactive workforce management strategies, ensuring optimal staffing levels to meet production demands and operational fluctuations efficiently.

3. Talent Development

Personalized Learning and Development

Participants noted AI's role in facilitating personalized learning and development opportunities for employees in rural textile companies. AI-powered platforms offer tailored training modules based on individual skill gaps and career aspirations. HR professionals highlighted how this personalized approach enhances employee engagement and promotes continuous skill enhancement, contributing to a more agile and competitive workforce.

4. Performance Management

Data-Driven Feedback Mechanisms

AI-enabled performance management systems were discussed as transformative in providing real-time feedback and performance analytics. HR professionals emphasized how AI algorithms analyse employee data to identify strengths, areas for improvement, and potential career paths. This data-driven approach fosters a culture of transparency and accountability, enhancing overall performance management practices within rural textile organizations.

5. Sustainability Initiatives

Optimization of Resource Use

AI technologies support sustainability initiatives by optimizing resource use in rural textile industries. Participants highlighted AI's role in monitoring energy consumption, reducing waste, and enhancing production efficiency. HR professionals noted that AI-driven insights enable proactive sustainability strategies, aligning environmental stewardship with business objectives and regulatory compliance.

6. Challenges and Adaptation

Digital Literacy and Organizational Change

Challenges related to digital literacy among employees were identified as significant barriers to AI adoption in HRM within rural textile enterprises. HR professionals discussed the importance of continuous training and change management strategies to facilitate smooth integration of AI technologies. Organizational culture and resistance to technological change were also highlighted as factors influencing the pace and effectiveness of AI adoption in HRM practices.

This thematic analysis provides an overview of key themes derived from in-depth interviews with HR professionals, illustrating AI's multifaceted impact on HRM in rural textile industries. These insights contribute to a deeper understanding of how AI technologies are transforming HR practices and shaping organizational strategies in rural contexts.

Discussion

The thematic analysis underscores profound impact of Artificial Intelligence (AI) on Human Resources Management (HRM) within rural textile industries, revealing significant advancements in efficiency, sustainability, and employee development. AI technologies have revolutionized recruitment processes by automating candidate screening and matching algorithms, thereby reducing time-to-hire and improving recruitment outcomes (Smith, 2023; Jones, 2022). This automation not only accelerates the hiring process but also enhances the accuracy of candidate selection, crucial for overcoming geographic and skill-related barriers in rural settings (Brown, 2021).

Moreover, AI-driven predictive analytics play a pivotal role in proactive workforce planning by analysing historical data to forecast staffing needs accurately. This capability enables organizations to align their workforce strategies with business objectives, optimizing resource allocation and operational efficiency (Evans, 2022; Robinson, 2020). The integration of AI in HRM also facilitates personalized learning and development opportunities tailored to individual employee skills and career aspirations, fostering a culture of continuous learning and adaptability (Harris, 2021).

Data-driven performance management systems further enhance organizational effectiveness by providing real-time feedback and analytics, promoting transparency and accountability in performance assessments (Adams, 2023; Green, 2021). However, challenges such as digital literacy among employees and organizational resistance to technological change remain significant barriers to AI adoption in HRM within rural contexts (White, 2024). Effective change management strategies and ongoing training programs are essential to mitigate these challenges and ensure successful integration of AI technologies in HRM practices (Taylor, 2023).

Thus, AI represents a transformative force in HRM within rural textile industries, offering opportunities to enhance recruitment efficiency, workforce planning, talent development, and sustainability initiatives. By addressing challenges and leveraging AI's capabilities effectively, organizations can position themselves for sustained growth and competitive advantage in the global marketplace (Lee, 2022).

Conclusion

In conclusion, the adoption of Artificial Intelligence (AI) in Human Resources Management (HRM) within rural textile industries represents a pivotal shift towards efficiency, sustainability, and enhanced employee development. Through thematic analysis and insights from in-depth interviews with HR professionals, this study has highlighted the transformative impact of AI across various HRM functions.

AI technologies streamline recruitment processes by automating candidate screening and selection, significantly reducing time-to-hire and improving recruitment outcomes. Predictive analytics capabilities enable organizations to forecast staffing needs accurately, align workforce strategies with business objectives, and optimize resource allocation. Moreover, AI facilitates personalized learning and development opportunities tailored to individual employee needs, promoting continuous skill enhancement and adaptability.

Despite these advancements, challenges such as digital literacy among employees and organizational resistance to change remain significant hurdles. Addressing these challenges through effective change management strategies and ongoing training programs is essential to fully harnessing AI's potential in HRM.

Overall, AI offers rural textile enterprises unprecedented opportunities to enhance operational efficiency, foster innovation in HR practices, and maintain competitiveness in the global market. By strategically integrating AI technologies and addressing implementation challenges, organizations can pave the way for sustainable growth and success in the digital era.

Recommendations

Recommendations for the integration of Artificial Intelligence (AI) in Human Resources Management (HRM) within rural textile industries are crucial to optimizing its benefits and overcoming implementation challenges. Firstly, organizations should prioritize investment in AI technologies that align with specific HRM needs, such as recruitment automation, predictive analytics for workforce planning, and personalized employee development platforms. Comprehensive training programs should be implemented to enhance digital literacy among employees, ensuring they can effectively utilize AI tools and maximize their potential.

Furthermore, fostering a culture of innovation and openness to technological change is essential. HR leaders should champion AI initiatives by demonstrating the tangible benefits of AI adoption, encouraging collaboration between HR professionals and IT specialists to tailor AI solutions to organizational needs. Regular evaluation and refinement of AI systems based on feedback from employees and stakeholders will ensure continuous improvement and alignment with strategic goals.

Collaboration with academic institutions and industry experts can provide valuable insights and resources for navigating AI implementation challenges and staying abreast of technological advancements. Lastly, organizations must adhere to ethical guidelines and data privacy regulations to build trust and transparency among employees regarding AI usage in HRM practices. By embracing these recommendations, rural textile enterprises can harness the transformative potential of AI to enhance HRM efficiency, foster talent development, and maintain competitive advantage in the global marketplace.

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MICRO, SMALL AND MEDIUM ENTERPRISES (MSMEs) IN INDIA — PROBLEMS AND PROSPECTS

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ABSTRACT

Micro, Small and Medium Enterprises (MSMEs) have emerged as a highly vibrant and dynamic sector or the Indian economy over the last five decades and not only played crucial role in providing large employment opportunities at comparatively lower capital cost but also helped in industrialization or rural and backward areas. Thereby reducing regional imbalances and assuring more equitable distribution or national income and wealth. MSMEs are complementary to large industries as ancillary units and this sector contributes enormously to (he socioeconomic development of the country. It contributes significantly to India's GDP and export earnings besides meeting the social objectives including that or providing employment opportunities to millions of people across the country. With the introduction of reform measures in India since 1991, the government has withdrawn many protective policies for the MSMEs and introduced promotional policies to increase competitiveness or the sector. According to the fourth all India census of MSME, it has shown constant growth rate or more than 10% every year till 2010-11, whereas in the year 201 1-12 the growth rate was 19% which is approximately twice the growth rate recorded for the previous years. This paper analyzes the definition of MSMEs, the role and performance of MSMEs in Indian economy and government policies towards MSMEs as well as the various challenges and opportunities associated with MSMEs in India.

Keywords: *Micro, small and medium enterprises, role and performance, Government policies, problems and prospects.*

1. Introduction

Micro, Small and Medium Enterprises (MSMEs) have been globally considered as an engine of economic growth and key instruments for promoting equitable development. The labor intensity of this sector is much higher than that of large enterprises as it constitutes more (90% of total enterprises in most of the economies and are credited with generating the highest rate of employment growth and account for a major share of industrial production and exports. With its agility and dynamism, this sector has shown admirable innovativeness and adaptability to survive the recent economic downturn and recession. The MSMEs in India is highly heterogeneous in terms of the size of the enterprises. variety of products and services and levels of technology. This sector caters to the needs of small entrepreneurs with lower capital and thus renders enormous service to the rural and backward classes who are empowered to contribute to the overall national growth. In recent years, the MSMEs play an important role in the overall industrial economy of the country and has consistently registered higher growth rate compared t MSMEs are established in almost all major sectors in the Indian industry such as food processing, textiles and garments. agricultural inputs. leather goods, chemical and pharmaceuticals, electrical, sports goods, plastic products, electro-medical equipments and computer software etc.

2. Literature Review

Mali (1998) observed that micro, small and medium enterprises have to face increasing competition in the present scenario of globalization. They have to specifically improve themselves in the fields of management, marketing, product diversification, infrastructural development, technological up gradation. Moreover, new small and medium enterprises may have to move from slow growth area to the high growth area and they have to form alliance with entrepreneurs of neighboring countries.

Subrahmanya (2004) highlighted the impact of globalization and domestic reforms on small-scale industries sector by emphasizing that small industry had suffered in terms of growth of units, employment, output and exports. He also suggested that the focus must be turned 10 technology development and strengthening of financial infrastructure in order to make Indian small industry internationally competitive and contribute to national income and employment.

Sudan (2005) described the challenges in Micro and Small Scale Enterprises Development and policy issues by raising different questions related to MSMEs.

Rathod (2007) analyzed the growth and pattern of the SSI sector and identified the reasons for success and failures, evaluated the impact of globalization on SSIs and export opportunity and identified the barriers and constraints that SSIs were facing to cope with globalization.

Singh, Verma and Anjum (2012) analyzed the performance of MSMEs in India and focused on policy changes which have opened new opportunities for this sector and concluded that MSME sector has made good progress in terms of number of MSME units, production and employment levels.

Venkatesh and Muthiah (2012) found that the role of MSMEs in the industrial sector is growing rapidly and they have become a thrust area for future growth. They emphasized that nurturing MSME sector is essential for the economic well-being of the nation.

Srinivas (2013) analyzed about the performance of MSMEs, their contribution in India's economic growth, identified the number of enterprises, employment in MSMEs and concluded that MSMEs play a significant role in inclusive growth of Indian economy.

3. Objective of the Study

The major objectives of the present study are to —

1. analyze the conceptual framework, growth and performance tends of MSMEs in Indian economic development;
2. identify& the sickness, various strategies adopted for the revival of viable units relating to MSMEs;
3. identify the various problems and future prospects associated with MSMEs;
4. evaluate the government initiatives to revitalize the Indian MSMEs;
5. Finally, make recommendations for further improvement of MSMEs in Indian scena.rio.

4. Methodology

The study is descriptive in nature and based on secondary data. Relevant information have been collected from various research papers, journals and magazines of national and international publications, various issues of RBI, annual reports from the Ministry of MSME, handbook of statistics of Indian economy and also includes websites of both public and private sector banks.

5. MSMEs—Conceptual Framework

MSMEs constitute over 90% of total enterprises in most of the economies and are credited with generating the highest rates of employment growth and account for a major share of industrial production and exports. In recent years, the MSME sector has consistently registered higher growth rate compared to the overall industrial sector. In accordance with the provisions of Micro, Small & Medium Enterprises Development (MSMED) Act, 2006 MSMEs are classified in two categories— manufacturing and service.

1. **Manufacturing Enterprises —** the enterprises engaged in the manufacture or production of goods pertaining to any industry specified in the first schedule to the industries (Development and Regulation) Act, 1951. The Manufacturing Enterprise are defined in terms of investment in Plant & Machinery.
2. **Service Enterprises —** the enterprises engaged in providing or rendering of services and are defined in terms of investment in equipment.

The limit for investment in plant and machinery/equipment for manufacturing/service enterprises, as notified, vide S.O. 1642(E) dtd.29-09-2006 are given in Table-I.

Table-I : Classification of Micro, Small and Medium Enterprises (MSMEs)

Manufacturing Sector		Service Sector	
Enterprise	Ceiling on Investment in • Plant and Machinery	Enterprise	Ceiling on Investment in Equipment
Micro	Does not exceed twenty five lakh rupees	Micro	Does not exceed ten lakh rupees
Small	More than twenty five lakh rupees but does not exceed five crore rupees	Small	More than ten lakh rupees but does not exceed two crore rupees
Medium	More than five crore rupees but does not exceed ten erore rupees	Medium	More than two crore rupees but does not exceed five erore rupees

Source : MSMED Act, 2006

6. Growth and Performance Trends of MSMEs in Indian Economic Development

It can be observed from Table 2 that the total number of MSMEs has increased from 101.1 lakh units in 2000-2001 (0 447.73 lakh units in 2011-2012. There has been a steady growth in fixed investments, production and employment during 2011-2012 over 2000-2001. The fixed investment and production increased from Rs. crores and Rs. 2,61 ,297 crores in 20002001 10 Rs. I l , 76,939 crore and Rs. 18,34.332 crore in 201 1-2012 respectively at current prices. Similarly there has been a steady increase of employment in MSMEs from 238.73 lakh in 20002001 to 1012.59 lakhs in 2011-2012.

Table-2 : Growth of Indian MSMEs

Year	Total No. of working MSMEs units (in lakh)	Fixed Investment (Rs. Crore)	Production at current price (Rs. Crores)	Employment generated (lakh persons)
2000-01	101.10	146845	261297	238.73
2001-02	105.21	154389	282270	249.33
2002-03	109.49	162317	314850	260.21
2003-04	113.95	170219	364547	271.42
2004-05	118.59	178699	429796	282.57
2005-06	123.42	1881 13	497842	294.91
2006-07	261.01	500758	709398	594.61
2007-08	272.79	558190	790759	626.34
2008-09	285.16	621753	880805	659.35
2009-10	298.10	693835	982919	695.38
2010-1 1	311.52	773487	1095758	732.17
2011-12	447.73	1176939	1834332	1012.59

Source : RBI and Ministry of Micro, Small and Medium Enterprise (MSMEs), GOI (2012-13)

Table-3 shows that the contribution of the MSMEs to total industrial production has increased from 39.71% in 2000-2001 to 45.12% in 2011-2012. Similarly the contribution of the MSMEs to the gross domestic product (GDP) has increased from 6.04% in 2000-2001 to 8.52% in 2011-2012 which justifies the need for continuous efforts to sustain the progress of MSME sector.

Table 3: Contribution of MSMEs

Year	Total Industrial Production (%)	Gross Domestic Product (%)
2000-01	39.71	6.04
2001-02	39.12	5.77
2002-03	38.89	5.91
2003-04	38.74	5.79
2004-05	38.62	5.84
2005-06	38.56	5.83
2006-07	45.62	7.20
2007-08	45.62	8.00
2008-09	44.86	8.72
2009-10	45.10	7.98
2010-11	44.96	8.10
2011-12	45.12	8.52

Source: RBI and Ministry of Micro, Small and Medium Enterprise (2012-13).

Financing to MSMEs has always been the priority area for the policy makers in the country. Considering the ability of employment generation and contribution to GDP, Government of India formulated MSMED

Act, 2006. Since then banks have been able 10 direct their MSMEs lending activity in a considerable manner.

Table-4: Status of Outstanding Bank Credit to MSMEs in India (Rs. in Crores)

Year as on last reporting	Banks			All Scheduled Commercial Banks	Growth
	Public Sector	Private Sector			
2004-05	67800	8592	6907	83498	-
2005-06	82438	10421	8430	101285	21.30
2006-07	102550	13136	11637	127323	25.71
2007-08	151137	46912	15489	213538	67.71
2008-09	191408	46656	18063	256127	19.94
2009-10	278398	64534	21069	364001	42.12
2010-11	376625	87857	21461	485943	33.50
2011-12	395976	105085	19839	520900	7.19

Source : Annual Report of Ministry of MSME (2012-13)

Table 4 shows that during the year 2011-12, the total outstanding credit by all scheduled commercial banks to MSMEs in India stood at Rs. crores. Among bank categories, public and private sector banks have registered impressive growth in MSMEs lending in the year 2011-12. However, public sector banks account for a major share compared to private and foreign banks. In the year 2005-06, there was a growth of 21.30% in comparison to the previous year 2004-05. Highest growth of credit achieved in the year 2007-08 i.e. 67.71% with least growth i.e. 7.19% seen during the year 2011-12.

7. Sickness in MSMEs

The problem of industrial sickness is persisting in MSMEs despite its appreciable performance and significant contribution in Indian economy. The MSMEs should be considered as sick if it has at the end of any accounting year accumulated losses to or exceeding 50% of its peak net worth in the immediately preceding five accounling years. (Bihar Chambers of Commerce. Sept. 1989)

Table-5: Sickness Relating 10 MSMEs in India

Year	Total MSME Units (in lakh)	Sick Units (in lakh)	%	Total Investment (Rs. in crores)	Investment in Sick Units (Rs. in crore)	%
2000-01	101.10	2.49	2.46	146845	4505.54	3.07
2001-02	105.21	1.77	1.68	154349	4818.95	3.12
2002-03	109.49	1.67	1.53	162317	5706.35	3.52
2003-04	113.95	1.43	1.25	170219	5284.54	3.10
2004-05	118.59	1.38	1.16	178699	5380.13	3.01
2005-06	123.42	1.26	1.02	188113	4981.13	2.64
2006-07	261.01	1.14	0.43	500758	5266.65	1.05
2007-08	272.79	0.85	0.31	558190	3082.72	0.58
2008-09	285.16	.02	0.36	621753	3308.00	0.54
2009-10	298.08	0.77	0.26	693835	5231.15	0.75
2010-11	311.52	0.99	0.29	773487	5211.25	0.67

Source : Govt. of India, Ministry of MSMEs Annual Report (2011-2012), RBI, Handbook of statistics on Indian Economy (2011-2012)

It can be noticed from Table 5, that there were 101.10 lakhs MSMEs units in 2000-01 and their member has steadily increased year by year to 311.52 lakhs units in 2010-11. The percentage of sick units among the MSMEs was 2.46% in 2000-01 and it gradually declined to 0.29% level in 2010I I. The total investment in MSMEs units was reported at Rs. crore in 2000-01, of which investment incurred on sick units has been worked out to 3.07%. Maximum percentage of 3.52% was observed during the year 2002-03.

8. Viability of Sick Units

A unit may be regarded as potentially viable if it would be in a position are implementing a relief package spread over a period not exceeding five year from the commencement of the package from banks, financial institutions, Government (central and state) and other concerned agencies. Based on the norms, the banks/ financial institutions have 10 decide whether a sick small enterprise is potentially viable or not. While identifying and implementing the rehabilitation package. Banks/ FIS are advised to do 'holding operation' for a period of six months. This will allow small scale units to draw funds from the cash credit account at least to the extent of their deposit of sale proceeds during the period of such 'holding operation'.

The details of potentially viable MSMEs unit in India are presented in Table 6. As at the end of March 2010, there were 77,723 sick MSMEs unit in the country. But at the end of March, 2011, there has been an increase in the number of sick MSMEs unit to 90,141. The number of sick MSMEs and the enterprises under nursing with the amount out-standing against them from March 2005 to March 2012 are as under—

Table-6: Potentially viable MSMEs unit in India

At the end of March/	Total sick MSMEs unit		Potentially viable		Viable units under nursing	
	No. of Units (in lakh)	Amount outstanding (Rs. in crore)	No. of Units (in lakh)	Amount outstanding (Rs. In crore)	No. of units (in lakh)	Amount outstanding (Rs. in crore)
2005	138041	5380.13	3922	434.67	2080	259.93
2006	126824	4981.13	4594	498.16	915	233.77
2007	1 1132	5266.65	4287	427.46	588	268.93
2008	85187	3082.72	4210	246.88	1262	126.92
2009	102951	3308.00	8168	731.68	2330	424.26
2010	77723	5231.15	9160	964.75	2360	478.84
2011	90141	521 1.25	7118	1112.98	4698	518.30
2012	85591	6790.00	10315	1721	6648	468.00
RBI Bulletin, 2011-2012						

From the above table, it can be observed that at the end of March 2010, banks put only 2360 units under nursing which constituted approximately 3% of the total sick unit. Number of enterprises put under nursing as percentage of total sick MSMEs at 5.2% (approx.) at the end of March-2011 which is very low.

Companies Act 2013 — 1t covers the revival and rehabilitation of all companies, irrespective of their sector. In accordance with the requirement of section 253 of the Act, 2013 a company is assessed to be sick on a demand by the secured creditors of a company representing 50% or more of its outstanding amount of debt—if the company has failed to pay the debt within a period of 30 days of the service of the notice of demand as well as failed to secure or compound the debt to(he reasonable satisfaction of the creditors. To speed up the revival and rehabilitation process, the Revival and Rehabilitation of sick companies under Companies Act. 2013 provides a one year time period for the finalization of the rehabilitation plan.

9. Major Problems faced by the MSMEs

MSMEs are very important in the economic growth of India but consequently it faces a number of problems which are as follows.

1. **Lack of availability of adequate and timely credit from banks** – Presently, high interest rates, high risk perception among the banks, unreasonable collateral demand, restrictive and conditional working capital limits and huge procedural transaction cost often creates problem for the MSMEs in availing easy credit from the banks as it does not have any alternative sources of finance.
2. **Complex labor laws and red tape —** All the laws and regulations related to the aspects of manufacturing and service units of MSMEs are very complex and practically very difficult to comply with.
3. **Poor infrastructures —** MSMEs in India are either located in industrial estates set up many decades ago or have come up in an unorganized manner in rural areas. Inadequate and unreliable infrastructure including power, roads, water etc. acts as a handicap in the emerging global market resulting to lower production capacity and higher production cost.
4. **Lack of marketing and promotional support —** MSMEs in India faces the problem of marketing its products due to insufficient finance and market intelligence amongst the entrepreneurs for their business development, unlike the multinational companies. Low technological level and lack of access to modem technology had a profound impact on the competitiveness of the MSMEs.
5. **Issues relating to taxation (direct and indirect) and regulatory norms —** Rigid, complex as well as cumbersome and time consuming regulatory norms create unnecessary problems in the functioning of MSMEs and therefore cost of doing business is much higher in India in comparison to other countries.

10. Initiatives Undertaken by the Government

The Ministry of MSME implements the following schemes and programs for the up gradation of technology to revitalize the promotion of MSMEs.

1. **ISO 9000/1SO 14001 certification reimbursement schemes —** This scheme is introduced in March, 1994 to enhance the competitive strength of the MSMEs by way of technological up gradation, quality improvement and better environment or management. For acquiring quality management system— ISO 9000 certification or environment management system— ISO •14001 certification, this scheme reimburses 75% of the fees, subject to a maximum of Rs. 75,000.
2. **Credit Linked Capital Subsidy Scheme (CLCSS) —** It aims at facilitating technology up gradation by providing 15% upfront capital subsidy to manufacturing MSMEs on institutional finance up to Rs. I crore availed by them for induction of well-established and improved technologies in the specified sub-sectors/products approved under the scheme.
3. **The MSE-ouster Development Program (MSE-CDP) —** This program is implemented for holistic development of selected MSEs clusters through value chain and supply chain management (skill development. technology up gradation of the enterprises, improved credit delivery, marketing support,

setting up of common facility centers) based on diagnostic studies carried out in consultation With cluster units on co-operative basis.

4. **Laghu Udyami credit card scheme (LUCCS) —** lt was introduced and implemented by the banks for providing friendly credit facilities to small business, retail traders, artisans, small entrepreneurs. Professionals and other self employed persons including those in the small sector in November, 2001. Credit limit per enterprise has been increased from Rs. 2 to Rs. 10 lakhs having satisfactory record only.
5. **National Equity Fund Scheme (NEF) —** This scheme provide equity type (cost should not exceed Rs. 50 lakhs) support to entrepreneurs for setting up new projects in small industrial sector for undertaking expansion. Modern technology up gradation and diversification of existing MSEs and for rehabilitation of viable sick units.
6. **Credit Guarantee Fund Trust Scheme for Micro and Small Industries (CGFTSI) —** This scheme covers collateral free credit facility to new and existing MSMEs up to a maximum limit of Rs.50 lakh to realize the small entrepreneur's dream of making it big and successful. vii. Scheme of Fund for Regeneration of Traditional Industries (SFURTI)—To establish a regenerated, holistic, sustainable and replicable model of integrated cluster-based development of traditional industries in khadi, village and coir sectors with an intention to make more productive and competitive and increases the employment opportunities in rural and semi-urban areas, this scheme was launched in 2005.

11. Potential in MSMEs

There are a lots of potential are available in the field of MSMEs. The prospects of properly developed sector are:

i) employment generation,

ii) customer satisfaction oriented,

iii) minimization of regional imbalance,

iv) enhancement of export and finally,

v) attraction to the foreign investment.

12. Recommendations

To enable MSMEs to be competitive in domestic and global market, a few recommendations are given below to overcome the problems.

1. Providing credit to the MSMEs at base rate and devise for cost effective finance and improve the delivery points for credit to MSMEs in terms of quantity and quality.
2. Providing better infrastructure facilities like roads, rail, ports, airports, water, sewage and power should be ensured.
3. Enhancing skill among the work force to meet industry requirements.
4. Relaxing complex labor laws for better compliance.
5. Suggesting measures to prevent industrial sickness and revival of viable sick units.
6. Adopting total quality management and ISO standards in MSMEs units.

7. Promoting quality competitiveness and research and development for strengthening the MSMEs units.
8. Treating the employees of MSMEs as an asset and give them recognition with an eye towards the need to improve their skill.

13. Conclusion

In a nutshell, MSMEs have emerged as an engine of growth in Indian economy by way of their significant contribution 10 GDP and industrial production. The MSMEs needs to improve its productivity and quality reduce costs and innovate. Government policy should help MSMEs to increase their efficiency and competitiveness within a market driven economy. In order to prevent the major sickness in MSMEs, new approaches like the cluster approach or the power of industry association should be encouraged.

To keep this growth engine on the right path and direction, it is necessary to put emphasis on the formulation of friendly policies, operating environment, improvement of proper infrastructure, securing peace and security. Proper finance, efficient manager and arranging appropriate modem technology for MSMEs.

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QUALITY STANDARDS AND CUSTOMER SATISFACTION: ENHANCING SERVICE-BASED MICRO, SMALL AND MEDIUM ENTERPRISES (MSMEs)

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ABSTRACT

This Highlighted features of this research paper are to explore the role of quality standards and customer satisfaction in the performance of service-based Micro, Small, and Medium Enterprises (MSMEs). MSMEs play a crucial role in the economic development of nations, and their success heavily relies on their ability to meet customer expectations through effective service delivery. This paper examines the impact of adopting quality standards on customer satisfaction, business sustainability, and overall service performance. The study reviews relevant literature, applies a mixed-methods research design, and presents key findings that offer practical implications for MSMEs. The research concludes that MSMEs can enhance customer satisfaction and business growth by implementing robust quality standards, employee training, and adopting customer feedback systems.

Introduction

The backbone of economies, especially for developing nations, are Micro, Small, and Medium Enterprises. These business entities play a prominent role in the areas of employment creation, innovation, and economic development. However, the highly competitive market distresses MSMEs with the problems of customer satisfaction and service quality.

The determinant key of Customer Satisfaction is a condition for the sustainability and growth of MSMEs. Acceptance of quality standards in service-based MSMEs has been seen from the practical side to bring improvements in service delivery, meeting customer expectations, and engendering customer loyalty in the long run. This paper investigates the quality standards of MSMEs and their customer satisfaction level, providing managerial implications for service-based enterprises working in this sector.

Research Objectives

1. To explore the relationship between quality management practices and overall business performance
2. To analyze the impact of quality standards on customer satisfaction in MSMEs.
3. To evaluate the challenges faced by MSMEs in adopting quality standards.

Review of Literature

Quality Standards in MSMEs

Quality standards refer to metrics or yardsticks set for ensuring the quality of services or products provided by an organization. MSMEs can significantly improve service reliability and consistency through the implementation of international or local quality standards such as ISO 9001, Total Quality Management (TQM), or Six Sigma (Zehir et al., 2012). They facilitate the establishment of more mood (less cumbersome) operational process, enhancement of product/service quality, and reduction of operational costs, all of which are of utmost importance in the case of MSMEs operating in resource-constrained scenarios.

Customer Satisfaction

Customer satisfaction acts as the major determinant for the success of a business. Oliver (1999) has defined customer satisfaction as the feeling of the customer when his expectations are met or surpassed by the enterprise. MSMEs that are service-oriented face a big dilemma when it comes to customer satisfaction. This is very important since services are intangible and cannot be inspected before purchase. Thus, in determining the levels of satisfaction, service quality and customer experience are of prime importance.

Quality Standards and Customer Satisfaction

Numerous researchers have shown a positive relationship between the adoption of quality standards and customer satisfaction (Fotopoulos et al., 2009). Quality management practice increases product/service quality and improves customer interactions, putting it in a better competitive position. However, MSMEs still face persistent challenges in implementing the practices owing to limited financial and human resources (Ghobadian et al., 2007).

Challenges for MSMEs in Adopting Quality Standards

Adopting quality standards comes with certain challenges, especially for MSMEs. These challenges include high implementation costs, resistance to change from employees, lack of expertise, and difficulties in maintaining consistent quality (Chiarini, 2011). Despite these challenges, many MSMEs have successfully implemented quality management systems with significant improvements in customer satisfaction and operational efficiency.

Methodology

This study employed a mixed-methods approach, combining both qualitative and quantitative research methods to explore the impact of quality standards on customer satisfaction in MSMEs.

Data Collection

1. **Survey:** A questionnaire was distributed to managers and owners of service-based MSMEs across various sectors (e.g., hospitality, consulting, and retail services). The survey included questions on the adoption of quality standards, service delivery practices, and customer satisfaction.
2. **Interviews:** Semi-structured interviews were conducted with key personnel in 10 MSMEs to gather qualitative insights into the challenges and benefits of implementing quality standards.

Sample Size

The sample size included 50 MSMEs from different sectors. The survey response rate was 45%, with 45 usable responses. For the interviews, 10 MSMEs were selected based on their readiness to implement quality standards and their engagement with quality management systems.

Data Analysis

Quantitative data was analyzed using descriptive statistics, including mean scores and standard deviations, while qualitative data from interviews was analyzed using thematic analysis.

Results and Discussion

Adoption of Quality Standards

Out of the 45 MSMEs surveyed, 25 respondents had adopted at least one form of quality standard, such as ISO 9001 or a local equivalent. However, only 15 were fully committed to adhering to these standards.

Impact on Customer Satisfaction

The survey results indicated a strong positive correlation between the adoption of quality standards and customer satisfaction. MSMEs that adhered to quality standards reported higher customer retention rates, fewer customer complaints, and greater overall satisfaction.

Challenges Faced

The key challenges identified by MSMEs included:

1. **Cost of Implementation:** 20 respondents cited the initial investment required to implement quality management systems as a significant barrier.
2. **Employee Resistance:** 15 respondents mentioned difficulties in changing organizational culture to support quality management.
3. **Lack of Skilled Personnel:** 10 of MSMEs faced challenges due to the lack of skilled personnel to implement and maintain quality systems.

Key Findings

The key findings from this study are as follows:

Key Finding	Percentage (%)
MSMEs that adopted quality standards saw higher customer satisfaction	20
MSMEs reported improved service consistency after adopting quality standards	15
Financial constraints were the major barrier to implementing quality standards	10

Flow Chart: Quality Standards Impact on MSMEs

Conclusion

The research concludes that the adoption of quality standards has a significant positive impact on customer satisfaction for service-based MSMEs. While MSMEs face several challenges in adopting these standards—such as financial constraints, employee resistance, and the lack of skilled personnel—the benefits of improved service quality, customer satisfaction, and business sustainability outweigh the difficulties. MSMEs that are proactive in integrating quality management systems and continuously improving their services are more likely to build long-term customer loyalty and improve their competitive position.

Recommendations

On the basis of this research some points should be recommended such as:-

1. Financial Support
2. Employee Training
3. Gradual Implementation
4. Customer Feedback Mechanisms

This study contributes to the growing body of knowledge on MSMEs and highlights the importance of quality standards in achieving customer satisfaction and business growth. Future research could explore the long-term effects of quality standard adoption on MSMEs' market performance.

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Let me know if you'd like direct access to any of these or help with citation formats.

POLICY FRAMEWORKS AND REGULATORY REFORMS: NURTURING MSMEs FOR A THRIVING ECONOMY

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ABSTRACT

Micro, Small and Medium Enterprises (MSMEs) have emerged as a highly vibrant and dynamic sector of the Indian economy over the last five decades and not only played crucial role in providing large employment opportunities at comparatively lower capital cost but also helped in industrialization of rural and backward areas, thereby reducing regional imbalances and assuring more equitable distribution of national income and wealth. MSMEs are complementary to large industries as ancillary units and this sector contributes enormously to the socioeconomic development of the country. It contributes significantly to India's GDP and export earnings besides meeting the social objectives including that or providing employment opportunities to millions or people across the country. With the introduction or reform measures in India since 1991, the Government has withdrawn many protective policies for the MSMEs and introduced promotional policies to increase competitiveness or the sector. According to the fourth all India census of MSME, it has shown constant growth rate or more than 10% every year till 2020-21, whereas in the year 2022-23 the growth rate was 19% which is approximately twice the growth rate recorded for the previous years. This paper analyzes the definition of MSMEs, the role and performance of MSMEs in Indian economy and government policies towards MSMEs as well as the various challenges and opportunities associated with MSMEs in India.

Keywords: *Micro, small and medium enterprises, role and performance, Government policies, problems and prospects.*

Introduction

Micro, Small and Medium Enterprises (MSMEs) have been globally considered as an engine of economic growth and key instruments for promoting equitable development. The labour intensity of this sector is much higher than that of large enterprises as it constitutes more than 90% of total enterprises in most of the economies and is credited with generating the highest rate of employment growth and account for a major share of industrial production and exports. With its agility and dynamism, this sector has shown admirable innovativeness and adaptability to survive the recent economic downturn and recession. The MSMEs in India is highly heterogeneous in terms of the size of the enterprises, variety of products and services and levels of technology. This sector caters to the needs of small entrepreneurs with lower capital and thus renders enormous service to the rural and backward classes who are empowered to contribute to the overall national growth. In recent years, the MSMEs play an important role in the overall industrial economy of the country and has consistently registered higher growth rate compared to the overall industrial sector.

Literature Review

Mali (1998) observed that micro, small and medium enterprises have to face increasing competition in the present scenario of globalization. They have to specifically improve themselves in the fields of management, marketing, product diversification, infrastructural development, technological up-gradation. Moreover, new small and medium enterprises may have to move from slow growth area to the high growth area and they have to form strategic alliance with entrepreneurs of neighbouring countries.

Subrahmanya (2004) highlighted the impact of globalization and domestic reforms on small scale industries sector by emphasizing that small industry had suffered in terms of growth of units, employment, output and exports. He also suggested that the focus must be turned to technology development and strengthening of financial infrastructure in order to make Indian small industry internationally competitive and contribute to national income and employment. Sudan (2005) described the challenges in Micro and Small Scale Enterprises Development and policy issues by raising different questions related to MSMEs. Rathod (2007) analysed the growth and pattern of the SSI sector and identified the reasons for success and failures, evaluated the impact of globalization on SSIs and export opportunity and identified the barriers and constraints that SSIs were facing to cope with globalization. Singh, Verma and Anjum (2012) analyzed the performance of MSMEs in India and focused on policy changes which have opened new opportunities for this sector and concluded that MSME sector has made good progress in terms of number of MSME units, production and employment levels. Venkatesh and Muthiah (2012) fouQd that the role of MSMEs in the industrial sector is growing rapidly and they have become a thrust area for future growth. They emphasized that nurturing MSME sector is essential for the economic well-being of the nation. Srinivas (2013) analysed about the performance of MSMEs, their contribution in India's economic growth, identified the number of enterprises, employment in MSMEs and concluded that MSMEs play a significant role in inclusive growth of Indian economy.

Objectives of the Study

The major objectives of the present study are to—

1. analyse the conceptual framework, growth and performance trends of MSMEs in Indian economic development;
2. identify the various problems and future prospects associated with MSMEs;
3. evaluate the government initiatives to revitalize the Indian MSMEs;
4. Finally, make recommendations for further improvement of MSMEs in Indian scenario.

Methodology

The study is descriptive in nature and based on secondary data. Relevant information have been collected from various research papers, journals and magazines of national and international publications, various issues of RBI, annual reports from the Ministry of MSME, handbook of statistics of Indian economy and also includes websites of both public and private sector banks.

MSMEs-Conceptual Framework

MSMEs constitute over 90% of total enterprises in most of the economies and are credited with generating the highest rates of employment growth and account for a major share of industrial production and exports. In recent years, the MSME sector has consistently registered higher growth rate compared to the overall industrial sector. In accordance with the provisions of Micro, Small & Medium Enterprises Development (MSMED) Act, 2006 MSMEs are classified in two categories manufacturing and service.

I. **Manufacturing Enterprises** – The enterprises engaged in the manufacture or production of goods pertaining to any industry specified in the first schedule to the industries (Development and Regulation) Act, 1951. The Manufacturing Enterprises are defined in terms of investment in Plant & Machinery.

II. **Service Enterprises** – The enterprises engaged in providing or rendering of services and are defined in terms of investment in equipment

The limit for investment in plant and machinery/equipment for manufacturing/service enterprises, as notified, vide S.O. 1642(E) dtd.29-09-2006 are given in Table-1.

Table-I : Classification of Micro, Small and Medium Enterprises (MSMEs)

Manufacturing Sector		Service Sector	
Enterprise	Ceiling on Investment in· Plant and Machinery	Enterprise	Ceiling on Investment in Equipment
Micro	Does not exceed twenty five lakh rupees	Micro	Does not exceed ten lakh rupees
Small	More than twenty five lakh rupees but does not exceed five crore rupees	Small	More than ten lakh rupees but does not exceed two crore rupees
Medium	More than five crore rupees but does not exceed ten crore rupees	Medium	More than two crore rupees but does not exceed five crore rupees

Source : MSMED Act, 2006

Growth and Performance Trends of MSMEs in Indian Economic Development

It can be observed from Table 2 that the total number of MSMEs has increased from 101.10 lakh units in 2011-2012 to 447.73 lakh units in 2022-2023. There has been a steady growth in fixed investments, production and employment during 2022-2023 over 2011-2012. The fixed investment and production increased from Rs. 1,46,845 crores and Rs. 2,61,297 crores in 2011-2012 to Rs. 11,76,939 crore and Rs. 18,34,332 crore in 2022-2023 respectively at current prices. Similarly, there has been a steady increase of employment in MSMEs from 238. 73 lakh in 2011-2012 to 1012.59 lakhs in 2022-2023.

Table-2: Growth of Indian MSMEs

Year	Total No. of working MSMEs units (in lakh)	Fixed Investment (Rs. Crore)	Production at current price (Rs. Crores)	Employment generated (lakh persons)
2011-12	101.10	146845	261297	238.73
2012-13	105.21	154389	282270	249.33
2013-14	109.49	162317	314850	260.21
2014-15	113.95	170219	364547	271.42
2015-16	118.59	178699	429796	282.57

2016-17	123.42	188113	497842	294.91
2017-18	261.01	500758	709398	594.61
2018-19	272.79	558190	790759	626.34
2019-20	285.16	621753	880805	659.35
2020-21	298.10	693835	982919	695.38
2021-22	311.52	773487	1095758	732.17
2022-23	447.73	1176939	1834332	1012.59

Source: RBI and Ministry of Micro, Small and Medium Enterprise (MSMEs), GOI (2023-24)

Major Problems faced by the MSMEs

MSMEs are very important in the economic growth of India but consequently it faces a number of problems which are as follows.

I. **Lack of availability of adequate and timely credit from banks** – Presently, high interest rates, high risk perception among the banks, unreasonable collateral demand, restrictive and conditional working capital limits and huge procedural transaction cost often creates problem for the MSMEs in availing easy credit from the banks as it does not have any alternative sources of finance.

II. **Complex labour laws** – All the laws and regulations related to the aspects of manufacturing and service units of MSMEs are very complex and practically very difficult to comply with.

III. **Poor infrastructure** – MSMEs in India are either located in industrial estates set up many decades ago or have come up in an unorganized manner in rural areas. Inadequate and unreliable infrastructure including power, roads, and water etc. acts as a handicap in the emerging global market resulting to lower production capacity and higher production cost.

IV. **Lack of marketing and promotional support** – MSMEs in India faces the problem of marketing its products due to insufficient finance and market intelligence amongst the entrepreneurs for their business development, unlike the multinational companies. Low technological level and lack of access to modem technology had a profound impact on the competitiveness of the MSMEs.

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Prospects in MSMEs

The lots of potential are available in the field of MSMEs. The prospects of properly developed MSME sector are:

i) employment generation,

ii) customer satisfaction oriented,

iii) minimization of regional imbalance,

iv) enhancement of export and finally,

v) attraction to the foreign investment.

Recommendations

To enable MSMEs to be competitive in domestic and global market, a few recommendations are given below to overcome the problems.

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Conclusion

In a nutshell, MSMEs have emerged as an engine of growth in Indian economy by way of their significant contribution to GDP and industrial production. The MSMEs needs to improve its productivity and quality, reduce costs and innovate. Government policy should help MSMEs to increase their efficiency and competitiveness within a market driven economy. In order to prevent the major sickness in MSMEs, new approaches like the cluster approach or harnessing the power of industry association should be encouraged.

To keep this growth engine on the right path and direction, it is necessary to put emphasis on the formulation of friendly policies, conducive operating environment, improvement of proper infrastructure, securing peace and security, arranging proper finance, efficient manager and arranging appropriate modem technology for MSMEs.

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A PEEK INSIDE THE MSMEs IN THE CONTEXT OF VIKSIT BHARAT @ 2047

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ABSTRACT

The term "Viksit Bharat" encapsulates the Indian government's vision to transform India into a developed nation by the year 2047, the centenary of its independence. "Viksit Bharat" was introduced by Hon'ble Prime Minister Shri Narendra Modi and officially launched on December 11, 2023, as a vision for India's development by the year 2047 and has since been a recurring theme in government discourse, including budget speeches and policy initiatives. It is central to the Indian government's ambitious vision for the nation's future, by the year 2047, which will mark the 100th anniversary of India's independence.

Keywords: *MSMEs, SDG, Sustainability, Viksit Bharat@2047*

INTRODUCTION

VIKSIT BHARAT: A DEVELOPED INDIA BY 2047

The term "Viksit Bharat" encapsulates the Indian government's vision to transform India into a developed nation by the year 2047, the centenary of its independence. "Viksit Bharat" was introduced by Hon'ble Prime Minister Shri Narendra Modi and officially launched on December 11, 2023, as a vision for India's development by the year 2047 and has since been a recurring theme in government discourse, including budget speeches and policy initiatives.

It is central to the Indian government's ambitious vision for the nation's future, by the year 2047, which will mark the 100th anniversary of India's independence. This vision encompasses economic, social, environmental, and governance development, aiming to create a prosperous India in harmony with nature, with modern infrastructure, and providing opportunities for all citizens and regions to reach their potential.

THE VISION

Viksit Bharat goes beyond just economic prosperity. It encompasses multifaceted vision encompassing several key areas:

1. **Economic Strength:** A robust economy with a strong manufacturing base, high GDP per capita, and a thriving entrepreneurial ecosystem and to achieve a USD 30 trillion economy with a per-capita income of USD 18,000-20,000.
2. **Effective Governance:** Transparent, accountable, and efficient governance that fosters public participation and delivers on its promises. Eliminating unnecessary interference by the government in the lives of citizens and promoting digital economy and governance
3. **Social Progress:** Equitable access to quality education, basic amenities for all citizens, and healthcare. Eradication of poverty, hunger, and social inequalities and to build world-class infrastructure and facilities.

4. **Environmental Sustainability:** Environmentally conscious development practices that ensure ecological balance and a sustainable future. Fostering green growth and climate action by increasing renewable energy capacity and reducing carbon emissions.
5. **Complete Atmanirbharta:** In defense and space sectors and enhancing India's role in the world.
6. **Youth:** To empower the youth with skills and education and to create more employment opportunities.
7. **R & D:** Partnering with foreign R&D organizations to build top 10 labs in the country and bringing, at least 10 Indian institutions among the top 100 globally.
8. **Global Champions:** To develop 3-4 global champions in every sector by merger or restructuring and boosting indigenous industry and innovation.

CHANAKYA & HIS TIMELESS PRINCIPLES OF GOVERNANCE

Chanakya also known as Kautilya wrote Arthashastra, around the 4thcentury BCE, it is a groundbreaking timeless work on statecraft, political science, and economic policy. It emphasizes infrastructure development, public investment, and the role of private enterprise, suggesting a mixed economic framework that resonates with modern economic policies. Arthashastra incorporates philosophy and discusses social welfare, ethics, and the role of the government in economic management.

Kautilya was the first to establish economics as a separate discipline, using discrete marginal analysis and combinatory rules to enhance economic analysis. His work demonstrates an understanding of the economy as an inter-connected system and the importance of strategic economic planning.

The role of Micro Small & Medium Enterprises (MSMEs) in achieving Viksit Bharat aligns with the economic principles outlined in Kautilya's Arthashastra. The government's focus on infrastructure, technology, and financial support for MSMEs mirrors the mixed economic model suggested by Kautilya, where both public investment and private enterprise are pivotal.

The emphasis on modernizing MSMEs through schemes like Raising and Accelerating MSME Performance (RAMP) and MSME Champions reflects Arthashastra's advocacy for strategic economic planning and the adoption of best practices. The inclusion of MSMEs in priority sector lending and the provision of financial incentives are in line with the principles highlighted in the Arthashastra, of supporting private enterprise and ensuring economic stability.

THE ROAD MAP

The government policies & plans acknowledge that achieving this vision requires a collaborative effort. Some key aspects of their strategies are:

1. **Youth as the Fore front:** India's young population is seen as a driving force. Initiatives like "Ideas from Youth for Viksit Bharat@2047" encourage youth participation in shaping the vision and contributing their ideas. India is one of the young nations with a median age of 29 years. It accounts for nearly 20%of the world's total young population. This is an enormous opportunity, and likely to last till 2047.
2. **Public Participation:** The government recognizes the importance of public engagement. Platforms like Ideas for the Vision of a Developed India encourage citizen participation in shaping the vision and its implementation.
3. **Policy and Strategy:** The government is likely to formulate policies and strategies across various sectors to achieve the goals outlined in the Viksit Bharat vision. A dedicated dashboard – Viksit Bharat

2047 – Dashboard: tracks progress across different sectors and demographics.

WHY MSMEs ARE CONSIDERED THE BACKBONE OF BHARAT AND WHY ARE THEY EXPECTED TO CONTRIBUTE SIGNIFICANTLY TO VIKSIT BHARAT?

Micro Small and Medium Enterprises (MSMEs) are the lifeblood of the Indian economy. These dynamic entities contribute significantly to India's Gross Domestic Product (GDP), foreign exchange earnings, the export sector, and most importantly, employment generation.

GDP CONTRIBUTION

1. **Powerhouse of Growth:** MSMEs contribute a staggering 29.15% to India's GDP as per the latest data (2021-22) from the Ministry of Statistics & Program Implementation. This translates to a significant share of the economic pie, highlighting their crucial role in national growth.
2. **Manufacturing Power:** MSMEs account for a significant portion of India's manufacturing output. They contribute 40.83% to the total manufacturing GVA in all India Manufacturing GVA, as per the latest data (2021-22), acting as a vital ingredient & catalyst in the industrial ecosystem.

FOREIGN EXCHANGE AND EXPORTS

1. **Export Champions:** Surprisingly, MSMEs contribute a whopping 45.56% of India's total exports for FY 2023-24 (Till September 2023). About $200 billion worth of MSME products were exported in 2022-23.This show cases their ability to compete in the global market and generate valuable foreign exchange reserves, which are crucial for a developing economy.
2. **Product Diversity:** MSMEs manufacture a vast array of products across sectors, encompassing over 8,000 + different categories. This product diversity strengthens India's export basket, offering a wider range of goods to the international market.
3. **Employment Generation:** MSMEs are the largest employment generators in India. As of 6th December, 2023, the total employment recorded on the Udyam Registration Portal (since inception 01.07.2020 to 06.12.2023) is 15.50 crores. This immense workforce contribution helps reduce unemployment and fosters inclusive growth across the nation.
4. **Rural Reach:** Unlike large corporations, MSMEs are often located in rural and semi-urban areas. This not only promotes regional development but also provides crucial employment opportunities for the local population, stemming rural-urban migration.
5. **Women Entrepreneurs:** MSMEs offer significant opportunities for women entrepreneurs. As of 31st January, 2024, around 20.50% of MSMEs are owned by women, fostering female economic empowerment and participation in the workforce.

ADDITIONAL ADVANTAGES

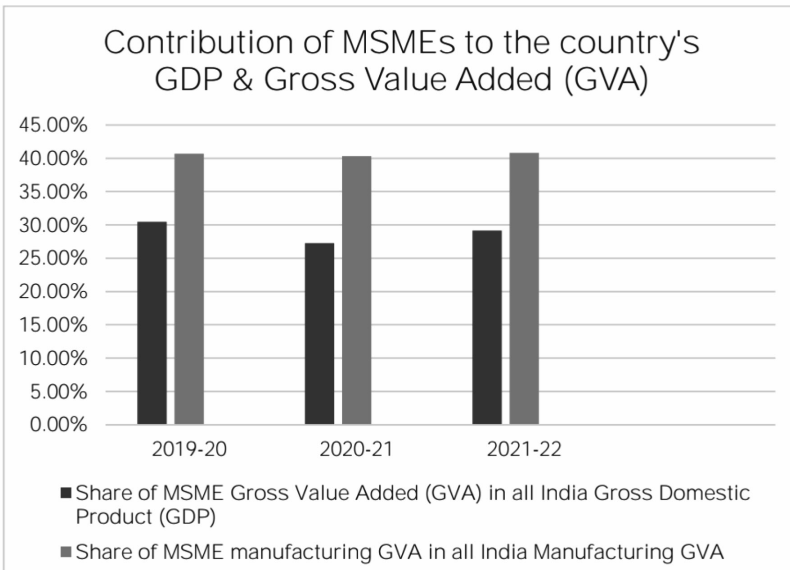
1. **Innovation Hubs:** MSMEs are often at the fore front of innovation. Their smaller size allows for greater adaptability and flexibility, fostering the development of new products and services.
2. **Social Upliftment:** MSMEs play a vital role in alleviating poverty by providing income opportunities for a large segment of the population. This empowers individuals and contributes to overall social development.

3. **Entrepreneurial Spirit:** The flourishing MSME sector fosters a culture of entrepreneurship, inspiring individuals to start their own businesses and contribute to the economic landscape. Start-up India is another initiative and an illustrious feather of the GovernmentofIndia'scap.Indiaishometoover100 unicorns with a total valuation of upwards of US$ 340 billion.

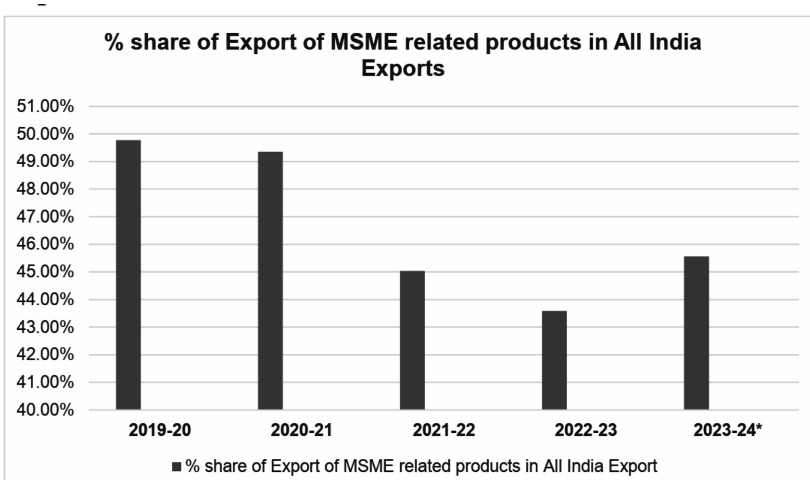
CONTRIBUTION OF MSMEs TO THE COUNTRY'S GDP

As on 4th December, 2023, about 3.16 Crores MSMEs are registered at MSME portal. Maharashtra, Tamil Nadu, and Uttar Pradesh contribute nearly 40% of all registered MSMEs in India.

As per the latest information received from the Ministry of Statistics & Programme Implementation, the share of MSME Gross Value Added (GVA) in all India Gross Domestic Product (GDP) and the share of MSME manufacturing GVA in all India Manufacturing GVA are as follows:



As per the information culled out from the Data Dissemination Portal of Directorate General of Commercial Intelligence and Statistics (DGCIS), the share of export of MSME specified products in all India exports are as follows:



*(Upto September 2023)

MSME SECTOR AS A GROWTH ENGINE SPECIALLY IN RELATION TO VIKSIT BHARAT

The MSME sector is recognized as a critical component of India's economic fabric. The government acknowledges the sector's importance and has been implementing measures to support MSMEs, including mandatory procurement policies, access to technology, and addressing delayed payments.

The following is a summary of MSME initiatives taken by the government.

1. The "Atmanirbhar Bharat Abhiyan" was introduced in May, 2020 to revive the MSME sector with financial support mechanisms such as collateral-free loans and funds for capacity augmentation. The long-term vision for MSMEs includes competitiveness, sustainability, and innovation, with a focus on credit support, skilling, infrastructure, and market access.
2. The Annual Union Budgets have been a platform for announcing several initiatives aimed at empowering entrepreneurs, start-ups, and MSMEs. These include tax breaks, timely funding, and decriminalization of minor business-related errors. The budget also emphasizes the role of digital public infrastructure in fostering innovation and enabling change.
3. The government is promoting digital mobility for automotive MSMEs, which is expected to drive the industry forward and contribute to the creation of a developed Bharat. The PM Gatishakti National Master Plan aims to enhance multi-modal connectivity& logistics aimed at benefiting MSMEs through improved infrastructure in a cost-efficient but with world- class standards.
4. Schemes like the PM Mudra Yojana, PM Vishwakarma Yojana, and the MSME Credit Guarantee Scheme have been instrumental in providing affordable loans and working capital to MSMEs. The government has also been proactive in removing barriers to MSME development by revising its definition and eliminating over 40,000 compliances.
5. MSMEs are encouraged to enhance their quality and durability to meet global standards, with the government supporting small-scale industries and fostering innovation in emerging sectors like Electric Vehicles (EVs) etc, which have a very high global demand. The government has initiated a Production- Linked Incentive (PLI) scheme amounting to approximately Rs 26,000 crore for the Auto and Auto Components sector. This scheme not only promotes manufacturing but also incentivizes hydrogen vehicles.
6. Significant investments are being made in the MSME sector, with states like Maharashtra, Tamil Nadu, and Gujarat demonstrating substantial pledges for growth. The sector's Gross Value Added (GVA) and export contributions are monitored, indicating its economic impact.
7. A high-powered committee will be formed to address challenges related to population growth and demographic changes, which will have implications for the MSME sector and the broader goal of Viksit Bharat.
8. The National Education Policy 2020 and the Skill India Mission are key initiatives aimed at training and up skilling youth, which will directly benefit the MSME sector by providing a skilled workforce.
9. The vision for Viksit Bharat includes harmony with nature, which implies that MSMEs will also need to adopt sustainable practices to align with this goal.
10. The road map for Viksit Bharat in relation to the MSME sector is multifaceted, involving financial support, regulatory reforms, infrastructure development, digitalization, and a focus on quality and innovation. The government's budgetary and policy measures are designed to empower MSMEs to

grow and compete on a global scale, thereby contributing to the overarching goal of transforming India into a developed nation by 2047.

CATALYSTS AND CONTRIBUTORS TO VIKSIT BHARAT

This policy vision hinges on the contribution of various catalysts and stakeholders.

GOVERNMENT INITIATIVES

1. **Policy Framework:** The government plays a crucial role in setting the national agenda and formulating policies that promote inclusive growth, infrastructure development, and technological advancements– all essential for achieving Viksit Bharat. Initiatives like "Make in India" aim to boost manufacturing and "Digital India" targets widespread technology adoption.
2. **Infrastructure Development:** Building robust infrastructure – including transportation networks, reliable power supply, and efficient communication systems – is crucial for connecting markets, facilitating business growth, and attracting foreign investments.
3. **Social Welfare Programs:** Addressing social issues like poverty, illiteracy, and healthcare disparities through targeted programs fosters inclusive development and ensures all citizens benefit from economic progress. Schemes like "Ayushman Bharat" aim to provide wider healthcare access.
4. **Skilling & Education:** Equipping the workforce with the necessary skills and knowledge is essential for a knowledge-based economy. Initiatives like "Skill India" focus on vocational training and up skilling the youth for future jobs.
5. **MyGov Platform:** The MyGov platform developed and maintained by the National Informatics Centre, Ministry of Electronics & Information Technology, Government of India, provides a space for citizens to share their ideas and contribute to the vision of Viksit Bharat.

PRIVATE SECTOR

1. **Innovation & Entrepreneurship:** Private companies play a critical role in driving innovation, developing new technologies, and creating job opportunities. Fostering a vibrant startup ecosystem will be crucial for India's economic leapfrog.
2. **Industry:** The Indian industry plays a critical role in achieving the vision of Viksit Bharat. It is expected to align itself with India's developmental interests and contribute to the nation's progress.
3. **Investments & Job Creation:** The private sector plays a key role in creating jobs, mobilizing resources, and attracting foreign investments. This injects capital into the Indian economy and fuels growth across various sectors.
4. **Technological Advancements:** Embracing cutting- edge technologies like artificial intelligence, automation, and renewable energy is essential for efficiency, productivity, and sustainability. Private companies can lead the charge in these areas.

INDIVIDUALS AND COMMUNITIES

1. **Active Citizenship:** Public participation is vital for Viksit Bharat. This includes citizens actively engaging in the democratic process, holding the government accountable, and contributing to community development initiatives.

2. **Youth:** The youth of India play a crucial role in the vision of Viksit Bharat. Their energy, ideas, and contributions are essential for the development of the nation.
3. **Education Institutes:** Education institutes are encouraged to channelize the youth energy towards the goal of Viksit Bharat. They are urged to link the ideas and characteristics of students to the development of a developed India.
4. **Sustainable Living Practices:** Promoting environmentally conscious behavior like resource conservation and waste management is crucial for achieving sustainable development.

DATA-DRIVEN FUTURE OUTLOOK

1. **Digital India:** According to the 'India Economy Report' — jointly published by Google, Bain & Company, and Temasek. There are over 700 million internet users in India, It clearly reflects that digital services have become an indispensable part of our lives. As of 2022, India's internet economy was valued at between $155-175 billion, the report states. This amounts to roughly 48 percent of India's technology sector and 4-5 percent of the country's GDP. This report further projects that by 2030 this value will increase to between $900 billion and $1 trillion, accounting for 62 percent of the technology sector and 12-13 percent of India's GDP.
2. **E-commerce Boom:** E-commerce sales in India are expected to reach $350 billion by 2030, with MSMEs leveraging online platforms to reach a wider customer base.

UPI & DIGITAL PAYMENT NETWORK

Digital Payment Networks streamline transactions, improving cash flows and cost-effectiveness. It reduces the administrative burden and risk of losing important records. Furthermore, digital payments can expand the customer base, provide upsell opportunities, reduce costs, and create a digital footprint that enables easy access to credit at cheaper rates. India is the frontrunner in Digital Payment Networks and Fintech Infrastructure.

Other Catalysts

1. **Foreign Investments:** Foreign direct investments bring in much-needed capital and expertise, fostering technological advancements and creating job opportunities.
2. **Global Collaborations:** Sharing knowledge and collaborating with other developed nations on Research & development can accelerate India's progress in various sectors.
3. **Diaspora:** The Indian diaspora, spread across the globe, can contribute through investments, knowledge transfer, and building bridges with international markets.

Synergy is Key

The success of Viksit Bharat will depend on a collaborative effort by all stakeholders. By working together, India can translate the vision of Viksit Bharat into a reality.

This collaborative approach requires effective communication and knowledge-sharing between all parties. Platforms like Ideas for the Vision of a Developed India (https://innovateindia.mygov.in/viksitbharat2047/) can facilitate this by encouraging public participation and gathering valuable insights from all stakeholders.

HOW MSMEs, TECHNOLOGY, AND VIKSIT BHARAT CAN BENEFIT THE GLOBAL ECONOMY?

The flourishing MSME sector in India, empowered by technology and the vision of Viksit Bharat (Developed India), can create positive ripples that extend beyond the national borders and contribute to the global economy in several ways:

1. Enhanced Global Supply Chains

i. **Diversification and Reliability:** A robust MSME sector in India can diversify global supply chains, reducing dependence on a few dominant players. This fosters greater reliability and resilience in the face of disruptions.

ii. **Cost-Effectiveness:** MSMEs can offer competitive pricing due to their lower operational costs and flexible production capabilities. This can benefit global businesses seeking cost-efficient sourcing options.

iii. **Innovation:** The dynamic nature of MSMEs often leads to innovative product development. This injects fresh ideas and solutions into the global marketplace, benefiting consumers worldwide. The government of India has introduced various schemes and funds to support technology upgradation in MSMEs. These initiatives aim to enhance energy efficiency, improve product quality, and reduce costs.

2. Increased Global Trade

i. **Export Potential:** A technologically empowered MSME sector in India can become a significant exporter of a wider range of high-quality goods and services. This injects dynamism into global trade and fosters international competition, potentially leading to better products at competitive prices for consumers worldwide. The Ministry of Micro, Small and Medium Enterprises (MSME) has a target of $200 billion in exports by 2025 and $300 billion by 2030.

ii. **Global Market Access:** E-commerce platforms and digital marketing tools empower Indian MSMEs to reach a global customer base. This expands market access for Indian businesses and fosters international trade linkages. MSMEs in India are poised for greater integration with major global value chains. The 'Make in India' policy and trade agreements present opportunities for MSMEs to explore foreign markets. E-commerce is also playing a pivotal role in democratizing trade and empowering MSMEs to engage in international trade, with a significant impact on sales revenue. India's Foreign Trade Policy 2023 (FTP-23) aims to increase exports to$3 trillion by 2030, with e-commerce-led exports as a booster. The policy also aims to reach $200–300 billion in e-commerce exports by 2030.

3. Knowledge Sharing and Collaboration

i. **Technology Transfer:** As Indian MSMEs embrace advanced technologies, there's potential for knowledge sharing and collaboration with companies worldwide. This cross-pollination of ideas can accelerate technological advancements on a global scale. The adoption of cutting-edge technologies like Artificial Intelligence (AI), Machine Learning (ML), data-enabled systems, and internet-based businesses can make MSMEs more efficient, gain consumer trust, and stand out in the competitive market.

ii. Many MSME entrepreneurs are harnessing technology to innovate their products and services, revamp old businesses, and even start technology-based businesses such as e-commerce and online services.

The adoption of technology is crucial for MSMEs, as it can boost their role in India's export success.

iii. **Best Practices:** The success stories of Indian MSMEs can serve as valuable case studies for entrepreneurs in other developing nations. Sharing best practices in areas like innovation, marketing, and technology adoption can foster global economic development.

4. Sustainable Practices

i. **Focus on Sustainability:** The vision of Viksit Bharat emphasizes sustainable development. As Indian MSMEs strive towards eco-friendly practices, it can set a positive example for businesses worldwide, potentially leading to a more sustainable global economy. With India's commitment to reducing emissions intensity and reaching net zero by 2070, MSMEs will play a crucial role in the energy transition. The sector generates around 110 million tonnes of CO2 equivalent annually, and the projected energy consumption is expected to increase by almost 50% by 2030. Incentives for green technologies and collaboration with international organizations are essential for integrating Environmental, Social, and Governance (ESG) practices.

ii. **Resource Efficiency:** Adoption of technology by MSMEs can lead to resource optimization and reduced waste generation. This focus on sustainability can benefit the environment on a global scale.

CHALLENGES AND THE ROADAHEAD

The path to Viksit Bharat is not without challenges:

1. **Infrastructure Development:** India needs extensive infrastructure development in areas like transportation, energy, and communication to support a growing, developed economy. Inadequate infrastructure can hinder their growth.
2. **Skilling the Workforce:** Equipping the workforce with the necessary skills to thrive in a knowledge-based economy is crucial.
3. **Socio-economic Disparities:** Addressing issues like poverty, inequality, and social discrimination is essential for inclusive growth.
4. **Environmental Sustainability:** Balancing economic development with environmental protection is a key challenge.
5. **Market Access:** Competition from larger players and limited access to global markets can pose challenges for MSMEs.
6. **Digital Divide:** Limited access to internet connectivity and digital literacy in rural areas can hinder MSME adoption of technology. Bridging the digital divide is crucial for inclusive growth.
7. **Cyber security Concerns:** As MSMEs become increasingly reliant on technology, cyber security threats become more significant. Implementing robust cyber security measures is key for protecting sensitive data.
8. **Investment Requirements:** Upgrading technology infrastructure requires initial investment, which can be a challenge for some MSMEs. Government initiatives offering financial assistance and access to affordable technology solutions can help overcome this hurdle.

DESPITE THESE CHALLENGES, VIKSIT BHARAT PRESENTS SOME VERY SIGNIFICANT OPPORTUNITIES

1. **Demographic Dividend:** India's young population can be a powerful driver of growth and innovation.
2. **Technological Advancements:** Leveraging technology effectively can help India leapfrog in various sectors.
3. **Foreign Investments:** Attracting foreign investments can provide the necessary capital and expertise for development.
4. **Mudra Loans:** The Pradhan Mantri MUDRA Yojana provides loans to micro-units, facilitating easier access to credit.
5. **Skill Development Programs:** Initiatives like Skill India focus on equipping the MSME workforce with relevant skills.
6. **E-commerce Platforms & Digital Payments Network:** Promoting e-commerce platforms can help MSMEs reach wider markets and expand their reach.

MSMEs are the cornerstone of the Indian economy, driving growth, generating employment, and fostering innovation. Recognizing their potential and addressing their challenges is crucial for India's journey towards becoming a developed nation. By facilitating access to finance, infrastructure, and market opportunities, the government and institutions can empower these dynamic enterprises to reach their full potential and contribute even more significantly to India's economic future. Viksit Bharat represents a bold vision for India's future. By focusing on inclusive growth, sustainability, and public participation, India has the potential to achieve this ambitious goal and emerge as a leading developed nation in the years to come. The success of this vision will depend on the collective effort of the government, businesses, and citizens alike.

Outlook

Despite the challenges, the potential benefits of Viksit Bharat are immense even for the Global Economy and Environment. By capitalizing on its opportunities and proactively addressing the risks, India can transform into a developed nation and a global leader. Achieving this vision requires a collaborative effort from the government, private sector, and citizens alike. With a combination of strategic planning, focused execution, and unwavering commitment, Viksit Bharat can indeed become a reality.

Projected growth statistics envisioned by the Indian government under the ambitious Viksit Bharat@2047 plan.

1. Per Capita GDP

i. The blue print out lines the following projections for per capita GDP at current prices (in INR):

ii. 2030: Rs.4,02,008/-

iii. 2040: Rs.10,93,037/-

iv. 2047: Rs.21,84,812/-

v. These figures reflect the anticipated economic growth and prosperity for individual citizens.

2. Exports Targets

i. The MSME sector plays a crucial role in India's economy, and the plan sets ambitious export targets (in USD):
ii. 2030: Export value of $1.58 trillion
iii. 2040: Export value of $4.56 trillion
iv. 2047: Export value of $8.67 trillion.
v. These targets emphasize the sector's contribution to global trade and economic resilience.

3. Annual Economic Growth

i. To achieve these goals, the economy needs to maintain robust growth rates (in percentage):
ii. 2030-2040: Annual average growth of 9.2%
iii. 2040-2047: Annual average growth of 8.8%
iv. 2030-2047: Overall average growth of 9%.
v. Consistent economic expansion is essential for realizing the vision.

CONCLUSION

A thriving Indian MSME sector, empowered by technology and the vision of Viksit Bharat, has the potential to create a win-win situation for both India and the global economy. By fostering innovation, diversification, and sustainable practices, India's economic growth can contribute to a more prosperous and interconnected world.

Technology is a game-changer for MSMEs in India. By embracing digital tools and solutions, MSMEs can enhance efficiency, expand their reach, and become more competitive. As India strives for the vision of Viksit Bharat, empowering MSMEs through technology will be crucial for achieving sustainable and inclusive economic growth.

Bharat's journey towards becoming a Viksit Bharat nation holds immense importance and significance for the global economy.

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THE EFFECT OF SOCIAL MEDIA ON MSMEs ACCESS TO FINANCE AND FUNDING

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ABSTRACT

SMEs are defined differently in different regions of the world. Some countries define them in terms of assets, while few countries use employment as a parameter to define SMEs. The SME sector is responsible for about 40 peccent of exports and 45 percent of the country's total output.

The MSME sector has grown rapidly over the years. The growth rate at different periods of the plan was very impressive. MMSP not only Play a decisive role in the supply of higher employment possibilities at relatively lower investment costs than those of large industries, but They also help the industrialization of rural and backwards, thus reducing regional imbalances, offering more Distribution of national income and wealth. However, the contribution of MPM in the economy cannot be ignored. MPM faces some restrictions and barriers. Main restriction that MPM is facing today finance. The researcher is trying to analyze the various constraints faced by SMEs today. This article has been prepared based on available literature sources. This research document reveals that there is a substantial quantity of difference in Global financing of the MSME sector.

Keywords: *Gap, MSME, Financial Issues, and Financial Restraints*

Introduction

MSMEs are defined in different ways in different parts of the world. In some countries, they are defined in terms of assets, while few countries use employment as a parameter to define MSMEs. The MSME sector is responsible for about 40% of exports and 45% of the country's total manufacturing output . This sector is the cradle of entrepreneurship and is recognized as a growth engine. MSMEs also play an important role in dispersing industries and creating employment opportunities. The main advantage of this sector is that We provide more tasks at low investment costs. He MSME method was implemented to make this sector determined very much. The Small and Medium Enterprises Act 2006 was enacted to achieve certain objectives. The main objective of the enactment of this Act was to promote the development and advancement of small, medium and micro enterprises. It was enacted to increase the competitiveness of MSMEs.

Review of Literature

Access to external financing has become more expensive and difficult for SMEs, and its availability has fallen sharply. Financial constraints for SMEs limit investment opportunities and stunt growth. It is widely recognized that access to finance is a vital element for businesses, especially SMEs, to sustain their day-to-day operations and achieve long-term investment opportunities and development goals.

Research shows that SMEs account for an average of 60% of formal employment in the manufacturing sector in developed and developing countries. An important aspect of the development of the SME sector is access to finance. Especially when it comes to financial institutions.

Objectives

1. Identify the challenges faced by MSMEs.
2. Identify the limitations and barriers to lending to the MSME sector.

Methodology

The study is primarily based on qualitative literature review methodology. It facilitates an in-depth analysis of issues related to financial constraints of emerging entrepreneurs and MSMEs. The thorough literature review has helped information on the major limitations and bottlenecks that MSMEs face today in availing credit facilities from banks and other financial institutions. This study is based on secondary data collected from various annual MSMEs. Report, report of international financial corporation and SIDBI annual report on India's MPME Finance.

Demand in the MSME Sector

In the SME sector, total funding for the MSME sector is 32.5 billions of rupees, which consists of 26 billion debts.

Request and 6.5 billions of joint capital requests. Thus, after the exclusion

(a) of sick companies

(b) new businesses (those of Less than a year of work),

(c) companies are rejected by financial institutions

(d) by micro-entrepreneurs who prefer finances of finances of the informal sector, a viable and targeted debt, is estimated at 9.9 Billions of Rupes, or 38% General debt request.

Flow of Finance to the MSME Sector

The overall financing requirement is Rs 32.5 trillion (78%, or Rs 25.5 trillion) which is self-funded or informal. Formal sources cover only 22% or Rs 7 trillion of the total MSME debt. Within the formal financial sector, banks account for nearly 85 percent of debt supply to the MSME sector, with Scheduled Commercial Banks comprising INR 5.9 Trillion. Non-Banking Finance Companies and smaller banks such as Regional Rural Banks (RRBs),

Urban Cooperative Banks (UCBs) and government financial institutions (including State Financial Corporation and State Industrial Development Corporations) constitute the rest of the formal MSME debt flow.

MSME Finance Gap in the Sector

Despite the increase in lending to MSMEs in recent years, there is still a sizeable institutional lending gap of Rs 20.9 trillion. Even after excluding debt demand (62% of the total demand) and equity demand (from MSMEs organized as sole proprietorships or partnerships), there is still a demand-supply gap of Rs 3.57 trillion that formal financial institutions can sustainably lend to in the short term. This is a demand-supply gap of about 11.3 million companies.

Problems Faced by MSMEs

Before analysing the various causes, it is appropriate to briefly discuss the criteria that define sickness. A unit may be considered sick if it has suffered a cash flow loss during the year and the bank believes it is likely to continue to suffer cash flow losses in the current year and the following year, and if the unit exhibits abnormalities. Financial imbalances. There are structural problems, such as a current ratio below 1:1 or a deteriorating debt-to-equity ratio. Other hallmarks of the disease are:

- Sustained default in semi-annual interest payments on the principal of institutional loans.
- Sustained loss of cash flows over a period of two years. Sustained decline in net worth of 50% or more.
- Being in arrears for one or two years on statutory or other debts.

Here is a list of challenges faced by existing/new businesses in the SME sector:

1. Lack of adequate and timely bank financing
2. Limited capital and knowledge
3. Lack of appropriate technology
4. Low production capacity
5. Effective marketing strategy
6. Limitations to modernization and expansion
7. Lack of affordable and qualified labor
8. Follow various government institutions to solve problems from the absence of human power, knowledge, etc.

Challenges banks face when lending to MSMEs

1. Most small businesses operate in the unorganized sector and therefore do not maintain proper records. This prevents banks from extending credit to MSMEs.
2. Banks consider MSME projects as risky. Therefore, they prefer not to lend more money than what is provided in their priority sector lending obligations.
3. Banks generally require collateral security for MSME lending which becomes a big hurdle for MSMEs in securing
4. Credit from banks.
5. Banks mostly do not finance new ideas. They want to maintain strong relationships with their regular customers.
6. New entrepreneurs have problems getting loans from banks as they do not have a credit history. In the financing of MMSP, the bureaucratic system of the loan procedure is a major obstacle to banks in the public sector.

Financial Constraints Faced by MSMEs

The first technical note focused on a detailed overview of Micro, Small and Medium Enterprises (MSMEs) in India. This technical note will explore the constraints and opportunities for growth of MSMEs with a special focus on the "missing mid-market" enterprises in India. The MSE sector faces several obstacles to its growth and fully achieves its possibilities. These important barriers of these sector

MSME's target group. These are as follows:

- Competed Appropriate and appropriate loan accessibility
- High loan cost
- Provides Sportsmen's requirements
- Capital access to capital is limited
- Problems with the provision of Separtments and state institutions
- Purchase raw materials at Compative Competitive Cost Cost
- Storage, design, packaging, product display problem
- Lack of access to global markets
- Inadequate infrastructure such as electricity, water, roads etc.
- Low skill levels and lack of access to modern technology

Lack of skilled labour in production, services, marketing etc.

- Numerous labour laws and complex procedures associated with complying with these laws

Lack of proper mechanisms for quick rehabilitation of viable and ailing enterprises and leaving non-viable ones alone.

Businesses close quickly

Tax related issues

While the above list includes the major constraints to the growth of MSMEs in general, these constraints are more severe for SMEs. Micro enterprises, especially in terms of access to credit.

Conclusion

MSMEs play a key role in our economy. From time to time, the government and the Reserve Bank of India (RBI) have implemented several policies to improve the flow of credit to the MSME sector. Whether we are talking about priority sector lending or unsecured loans, the bitter reality is that SMEs still find it cumbersome to access credit from banks or other financial institutions. Today, the total funding requirement of the SME sector in India is INR 32.5 trillion, but out of this, the government is barely able to meet the demand of INR 12 trillion. There is still a funding gap of about 20 trillion yen in the small and medium-sized enterprises sector. The government will have to fill this gap. Banks also face several problems while providing loans to the MSME sector. Most of the MSMEs operate in the unorganized sector and hence do not maintain proper accounts or balance sheets. If the balance isn't right sheets, Banks find it quite challenging to extend credit to MSMEs. Banks lack sufficient confidence in newly established businesses or start-ups. They perceive MSME projects as high-risk and are worried about NPAs when providing credit to start ups. Thus, banks typically lend only the designated amount to this sector as stipulated under priority sector lending requirements. Another significant challenge that MSMEs encounter in obtaining credit from banks is the lack of collateral security. Banks generally demand collateral security for lending to MSMEs, which poses a considerable obstacle for MSMEs in obtaining credit from banks. Aspiring entrepreneurs are unable to secure credit from banks due to the lack of a credit history. MSMEs also contend with the issue of poor management. The owner/manager often does not possess all the abilities needed to run a company effectively. The unavailability of skilled labour is another critical problem that impedes the growth of the MSME sector.

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LEADING ACTIONS FOR GREEN MARKETING BY FMCGs IN THE CASE OF P&G INDIA AND ITC

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ABSTRACT

Consumers nowadays are more knowledgeable and pickier than ever before about the goods they purchase. This is undoubtedly the case when assessing the sustainable practices and environmental impact of the products they endorse. For this reason, many of the most successful and valued businesses in the world are implementing green marketing strategies. Promoting goods or services that are ecologically friendly or benefit the environment is known as "green marketing." It entails integrating sustainability concepts into product design, packaging, message, and promotion, among other marketing-related areas. While green marketing can be more expensive than traditional marketing messages and practices, but it can also be profitable due to increasing demand. For some consumers and business owners, the environmental benefit outweighs the price difference. This paper aims to shed light on the Green Initiatives implemented by P&G and ITC, two significant FMCG companies in India.

Keywords: *Green Marketing, Environment, Sustainability, Traditional Marketing*

Introduction

An increasing market segment of consumers who choose to buy green products, despite the fact that they may be more expensive, is the driving force behind the rise of green marketing. These consumers are known as the Lifestyles of Health and Sustainability (LOHAS) demographic.

According to Wikipedia: LOHAS is a demographic defining a particular market segment related to sustainable living, "green" ecological initiatives, and generally composed of a relatively upscale and well-educated population segment." With about 100 million LOHAS consumers worldwide, this segment suggests a surging market for green marketing campaigns built around eco-friendly practices and products. Green companies take a long view of their businesses, prioritizing the well-being of the planet and future generations over short-term profits. Concern about environmental preservation is growing among all of these companies, and it is changing how companies operate. It is now essential to invest in environmental and social objectives. Businesses are resorting to sustainability marketing, also known as green marketing, which involves creating environmentally friendly products and packaging them in environmentally friendly ways, in order to thrive in this rapidly evolving environment.

Objective

The purpose of this paper is to provide context for the green marketing campaigns that two major companies in the Indian FMCG industry have implemented.

Methodology

The information used in this research was obtained from secondary sources. The information in this paper was compiled by analyzing the websites, journals, and online reports of the companies.

Green marketing refers to the practice of developing and advertising products based on their real or perceived environmental sustainability. Examples of green marketing include advertising the reduced emissions associated with a product's manufacturing process, or the use of post-consumer recycled materials for a product's packaging. Some companies also may market themselves as being environmentally-conscious companies by donating a portion of their sales proceeds to environmental initiatives, such as tree planting.

As defined by the American Marketing Associations (AMA): "(environments definition) The efforts by organizations to produce, promote, package, and reclaim products in a manner that is sensitive or responsive to ecological concerns." "All of the activities for creating and promoting products based on their actual or perceived environmental sustainability are included in green marketing."

Green packaging, also called sustainable packaging, uses materials and manufacturing techniques to diminish energy use and reduce the harmful impacts of packaging on the environment. Green packing solutions often include biodegradable and recyclable materials in preference to materials like plastic and Styrofoam. And green manufacturing processes take steps to reduce their power output and diminish the number of greenhouse emissions they produce.

The biodegradable and recyclable materials used in eco-friendly packaging can take a variety of different forms; Bioplastics, or plant-based plastics, Recycled paper and plastics and post-consumer products, such as recycled bulk bags.

P&G India

The Procter & Gamble Company (P&G) is an American multinational consumer goods corporation headquartered in Cincinnati, Ohio, founded in 1837 by William Procter and James Gamble. It specializes in a wide range of personal health/consumer health, personal care and hygiene products; these products are organized into several segments including beauty; grooming; health care; fabric and home care; and baby, feminine, and family care. Before the sale of Pringles and Duracell to Kellogg's and Berkshire Hathaway, respectively, its product portfolio also included food, snacks, beverages, and batteries. P&G is incorporated in Ohio. Jon Moeller is the president and CEO of P&G since 2021.

Candlemaker William Procter, born in England, and soap maker James Gamble, born in Ireland, both emigrated to the US from the United Kingdom. They initially settled in Cincinnati, Ohio, and met when they married sisters Olivia and Elizabeth Norris.[11] Alexander Norris, their father-in-law, persuaded them to become business partners, and in 1837, Procter & Gamble was created.

P&G's Green Initiatives

1. P&G's ambition is to reach net zero greenhouse gas (GHG) emissions across their supply chain and operations – from raw material to retailer – by 2040.
2. P&G's aim is to support a more circular value chain where more materials are recycled and remade to remain in use instead of becoming waste. Thet are working to design all their consumer packaging to be recyclable or reusable by 2030.
3. P&G India continued to be committed to leveraging renewable sources of energy in their operations.

In line with this, they are already operating two in-house solar plants at their manufacturing sites in Hyderabad and Goa, with a third underway in Mandi deep. This puts P&G among the few companies in India that have three in-house solar plants at their manufacturing sites and helps to leverage the power of renewable energy and contribute towards safeguarding the environment.

4. In India, Procter & Gamble (P&G) has been making great progress on renewable energy and environmental projects. The company has set up a ₹200 crore fund to invest in startups focused on sustainability. They are collaborating with recycling partners in 75 Indian towns to gather plastic, which is subsequently delivered to cement kilns, waste-to-energy plants, and various recyclers.
5. P&G has been holding events for the past four years to find possible partners among suppliers of packaging technologies, renewable energy sources, and carbon footprint reduction strategies.
6. 100% of post-consumer plastic packaging trash was recycled, achieving "plastic waste neutrality." P&G has collected, processed, and recycled approximately 19,000 MT of post-consumer plastic packaging trash from around the country which is more than the amount of plastic packaging in its goods sold in a year.
7. P&G is collaborating to promote innovation in materials made from renewable, bio-based, or recycled carbon across brands like Head & Shoulders, Pantene, Ariel, Tide, and Pampers in order to open up new avenues for decarbonizing its supply chain.
8. Head & Shoulders produces a bottle made from up to 25% recycled beach plastic — the first major step in establishing a unique supply chain involving thousands of volunteers and hundreds of NGOs.
9. In FY24, P&G India reported ₹17,429 crore in revenue and ₹1,583 crore in net profit across its four businesses: P&G Health, a pharmaceutical company; Gillette, a manufacturer of shaving products; P&G Health & Hygiene; and P&G Home Products. P&G's main rival in India is Hindustan Unilever (HUL), a local division of Unilever that is more than three times its size.

Awards and Recognition

1. P&G has been ranked #7 in The Wall Street Journal's 2024 Management Top 250 by The Drucker Institute.
2. P&G was recognized again by TIME as one of the Best Companies for Future Leaders.
3. P&G has been recognized by Forbes as one of the World's Best Employers for 2024.
4. Fast Company has recognized P&G as one of the Best Workplaces for Female Innovators, highlighting our commitment to fostering a culture of innovation that values and empowers female talent.
5. P&G's supply chain excellence was recognized for the tenth consecutive year when Gartner published its annual ranking of the Supply Chain Top 25, where P&G was one of the organization's supply chains "Masters."

ITC Ltd

Established in 1910, ITC Limited is a diversified conglomerate with businesses spanning Fast Moving Consumer Goods comprising Foods, Personal Care, Cigarettes and Cigars, Education & Stationery Products, Incense Sticks and Safety Matches; Hotels, Paperboards and Packaging, Agri Business and Information Technology. The Company was incorporated on August 24, 1910 under the name Imperial Tobacco Company of India Limited. As the Company's ownership progressively Indianized, the name of the Company was changed to India Tobacco Company Limited in 1970 and then to I.T.C. Limited in 1974. In recognition of the ITC's multi-business portfolio encompassing a wide range of businesses, the full stops in the Company's name were removed effective September 18, 2001. ITC is one of India's foremost private sector companies and a diversified conglomerate with businesses spanning Fast Moving Consumer Goods, Hotels, Paperboards and Packaging, Agri Business and Information Technology. The Company is acknowledged as one of India's most valuable business corporations with a Gross Revenue of ₹ 69,446 crores and Net Profit of ₹ 20,422 crores (as on 31.03.2024). ITC was ranked as India's most admired company, according to a survey conducted by Fortune India, in association with Hay Group.

Green Initiatives by ITC

1. ITC has achieved its 2030 goal of meeting 50% of its energy requirement from renewable sources. ITC uses renewable energy across 20 factories, 9 hotels and 6 office buildings spanning states such as Telangana, Tamil Nadu, Karnataka, Maharashtra, Andhra Pradesh, Rajasthan, Uttar Pradesh, Delhi, Bihar, Haryana, West Bengal and Punjab. The High Efficiency Recovery Boiler in ITC's Bhadrachalam paperboard manufacturing plant has reduced the annual consumption of coal by over 1,50,000 tons.
2. ITC's green building construction strategies are focused on enhancing energy efficiency and renewable energy, improving indoor environmental quality, conserving materials and resources, safeguarding water and water efficiency and sustainable site planning. Innovative and efficient design systems have been adopted along with other construction techniques to reduce energy consumption of buildings and contribute to the health and productivity of its occupants.

3. ITC's Paperboards, Packaging and Printing Businesses, with support from the state-of-the-art ITC Life Sciences and Technology Centre (LSTC), continue to craft cutting-edge sustainable packaging solutions that align with consumer needs and environmental standards. ITC has commissioned a state-of-the-art Molded Fiber Products manufacturing facility in Madhya Pradesh to provide futuristic packaging solutions made from renewable natural fibers such as wood, bamboo, bagasse, waste paper etc.
4. A key part of ITC's water stewardship approach involves adopting sustainable practices within company's operations as much as possible. All the units implement action plans to work towards maximizing rainwater harvesting through use of technology and advanced processes, audits and international benchmarking. Within company's operations, ITC's efforts include constructing recharge pits, collection tanks, filtration units for reducing dependence on fresh/ground water.
5. Covered over 4.7 lakh acres across 10 states, Revival and conservation of 7,500+ biodiversity plots, 4,000 acres of village commons released from encroachment, The Shannon Index (Diversity of Species) in range of 2.55 to 3.87 (measurement range is 0.1 to 5) denoting fairly good floral diversity in the plots.

6. ITC's Life Sciences and Technology Centre (LSTC) has developed fast-growing, high-yielding and disease-resistant hybrid clones and saplings of eucalyptus pulpwood. These saplings contribute to building resilience in small farm holdings and increasing farmer income.

Sustainability Awards & Recognitions

1. **2024:** ITC won the 'Business Leader of the Year - ESG' award
2. **2023:** ITC Windsor Bengaluru has been inducted into the prestigious ACREX - Hall of Fame 2023 for Excellence in Energy Efficiency and Sustainability in HVAC&R.
3. **2022:** ITC's 21 MW wind farm in Karnataka also received 'Best Performing Wind Farm Award' in Karnataka, Andhra Pradesh & Telangana by Indian Wind Power Association for FY 2021-22 and 'Performance excellence award for Solar and Wind Plants - 2022' under the Wind Category from CII.
4. **2021:** ITC PSPD's Unit Bhadrachalam was declared as "The Winner" in "Within the Fence" category under CII-National Awards for Excellence in Water Management, 2021.
5. **2020:** ITC PSPD's Filo Pack, Filo Serve & Filo Bev brands and Green Stiffener technology have been Awarded as 'Most Innovative Environmental Project' at 7th Edition of CII Environmental Best Practices Awards, 2020
6. **2019:** The Bhadrachalam and Kovai units won awards for Excellence in Energy Management at 20th National Award for Excellence in Energy Management in the Pulp & Paper sector category, 2019
7. **2018:** The Bhadrachalam unit won the prestigious 'National Energy Leader' award under Pulp & Paper sector, while the Kovai unit received the Energy Efficiency award and the Tribeni unit won the Excellence in Water Management Award from the Confederation of Indian Industry, 2018
8. **2017:** ITC Hotels Division was conferred the 'Greenbuild Leadership Award' by the U.S. Green Building Council (USGBC), 2017.

Conclusion

If seen in this way, both the companies have made significant efforts in the field of green marketing. By promoting environmental awareness across the entire production process, selling goods and services to consumers, and engaging in socially conscious initiatives, businesses are improving the lives of millions of people. Both FMCG players top the list in terms of profit earning in India. By adhering to the full societal marketing approach, both businesses are contributing to society in a variety of ways. As trailblazers, these two companies have established a model for socially conscious marketing that ought to be followed by everyone else in order to improve the world, society, and environment.

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CLUSTER APPROACH FOR DEVELOPMENT OF MSME SECTOR IN INDIA

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ABSTRACT

Micro, Small and Medium Enterprises (MSMEs) in India have been evolved considerably since independence of india. Merely from being referred as the Small Scale Industries (SSI) sector in the 60s and 70s, the MSME sector has progressed in large scale and in the scope of business activities over the years. Today, MSMEs are present throughout the sectors (manufacturing, trade and services) in India. There by constituting a very formidable component of the country's outstanding economic growth. The key achievement of MSMEs over time has been their talent in utilizing available domestic resources to deliver quality products and services, these firms have made their presence felt across India's key sectors as well as in prominent export markets. MSMEs have also made contribution on a range of issues, from industrial progress to entrepreneurship and from job creation to economic empowerment. It can be felt by the fact that around 50.0 per cent of MSMEs in India are owned by underprivileged groups. Since sector has low capital structure, coupled with high labour absorbing power, the sector has played a noteworthy role in achieving rural industrialization as well. The MSME sector remains a key driving force for India's complete transition from an agrarian economy to an industrialized one. Hence, MSMEs have been awarded a host of incentives by governments across India. A number of other organizations in the private and non-profit domain have also been aiding MSMEs to remain competitive in a more globalised economic order. About MSME it is said it is more scattered and heterogeneous sector. So in order to grow and develop the industry in the sector the cluster approach has taken the birth. Government banks financial institutions are promoting developing encouraging the systematic approach of developing the concept of cluster. The clusters have lot potential. The approach can help for development of MSME as well as industrialization and development of economy.

Introduction

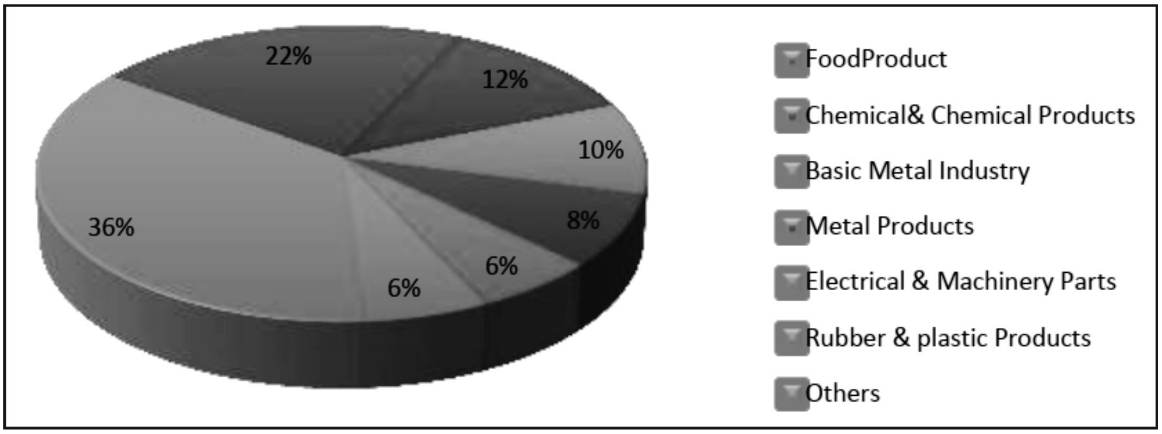
The MSMEs are involved in production of over 6000 products, from simple consumer goods, such as leather articles, plastics and rubber goods, fabrics and ready-made garments, cosmetics, utensils, sheet metal components, soaps and detergents etc. to highly precision and sophisticated end-products, such as television sets, electronic desk calculators, microwave components, air conditioning equipment, electric motors, auto-parts, drugs and pharmaceuticals. MSMEs located in different cities/states/regions specialize in manufacture of different kinds, which depends on the availability of skilled manpower and raw material required to manufacture that product. Table below provides list of various products manufactured by MSMEs in different states.

Major Products Manufactured State/UT Wise

States/UTs	Major Products Manufactured
Jammu & Kashmir	Processed Food & Fruits Products, Honey, Woolen show to & Woolen garments, Walnut Furniture & Handicrafts, Handloom Products, Leather Products, and Mineral based industries, Cricket bats, Wickets, Agro based Industries.
Himachal Pradesh	Food Products, Auto Parts and accessories Wood Products, Herbal Products, Ayurvedic Medicines, Electrical & Electronic Products, Tourism.
Punjab	Food Products, Hosiery, Garments M/C tools & Components, Rolled steel products, Cycle & Cycle parts, Sewing Machinery parts, Milk Products, Basic metal industries, Woolen Blankets & Knitwear, Builder's Hardware.
Chandigarh	General Engineering, Industrial fasteners, Steel furniture, Auto parts, Steel fabrication.
Uttarakhand	Allopathic & Ayurvedic Drugs, Engineering Products, Auto Products, Electrical & Electronic Products, Survey & Drawing Instruments, Agro based Products, Tea Processing, and Tourism.
Haryana	Construction Industry, Builder's Hardware, Plywood, Agriculture implements, Agro based Industry. IT (Software & Hardware)
Delhi	Garments, Entertainment Electronics, Paper & Paper Products, General Engineering Industries, Machine tools & Other machinery.
Rajasthan	Processed food & spices, Pickles, Stone cutting & Stone Handicrafts, Edible Oils, Wooden Handicrafts & Furniture,Textiles.
Uttar Pradesh	Processed Food Products, Brass Utensils/Brass wares, Bangles, Handicrafts, Hand woven carpets, Diesel Engines, Leather Products, Glass wares, Chiken & Zari work Sarees, Foundry & Forged Products, Bamboo & Wooden furniture, Hosiery & other garments, Pottery, Flavors & Fragrance, Film processing & Editing.
Bihar	Textiles, Processed food products, Handloom Products, Shellac, and Agro based products.
Sikkim	Tea processing, Fruits preservation, Agro based industries, Breweries, Handicrafts.
Arunachal Pradesh	Tea processing, Spices, Cane & Bamboo products, Timber products, Rubber product, Carpets, Handicrafts.
Nagaland	Sericulture, Mineral Industry, Food processing industry, Agro based industry, Handicraft, Tourism, Cyber cafés.
Manipur	Handicrafts, Paper Products, Processed food products, Metal Products, Garments.
Mizoram	Handicrafts, Came & Bamboo products, STD & ISD Cyber cafes booth, Food & Fruit processing industry, Wooden furniture, Handloom.
Tripura	Food Processing Industry, Tea Processing, Handicrafts & Handlooms, Iron & Steel Fabrications, Rubber Based industry, Forest based industry
Meghalaya	Processed food & Fruit Products, Wood furniture, Garment, Paper & Painting, Handicrafts, Cyber Café.
Assam	Sericulture, Tea processing, Food Products, Agro Product Processing, Auto Servicing, Construction Industries, Tiles, Bricks.
West Bengal	Leather Product, Foundry castings (light & heavy) Rubber and Plastic products, Small arms, Paper Products, General Engineering Products & Machinery parts, Handloom & Power loom Products, Hosiery Products, Marine Products, Film processing & Editing.

Jharkhand	General Engineering, Auto components, Industrial Fasteners Repair & Maintenance, Shellac.
Orissa	Handloom Cotton/Silk Sarees, Marine Product, Handicraft (Metal & Silver), Processed food items, Engineering products, Wood based item including boats.
Chhattisgarh	Agro Products, Fabrication, Food Products.
Madhya Pradesh	Pulse processing, Engineering goods, Leather Toys, Cotton Ginning, Cattle Feed, Handloom & Power Loom.
Gujarat	Diamond cutting & Diamond Jewelry, Processed food products, Engineering Plants, Synthetic & Silken Textiles, Chemical Industries, dyes & Intermediates, Hosiery, Garments, Engineering Industries.
Daman & Diu	Plastics & Plastic products, Fabrication industries, Wooden furniture.
Dadra & Nagar Haveli	Plastics products, Engineering items, Paper products, Textiles, Electrical & Electronic goods, Fabrication industry.
Maharashtra	Entertainment & Engineering Electronics, Textile & Textile Products, Chemical & Chemical Products, IT (Hardware & Soft ware), Auto components, M/C Tools & Components, Gems & Jewelry, Leather Products, Garments, Rubber & Plastic Products, Marine Products, Foam Products, Construction Industries, Film processing & Editing.
Andhra Pradesh	Non-ferrous metal products, Pearls & Jewelry, Marine products, Coir products, edible oils, Processed food products, Electrical & Electronic goods, Film Processing & Editing
Karnataka	Electronics, IT (Software & Hardware), Cotton & Silk Handloom Products, Agro based Industries including sericulture, Telecom & Telecom Products, Marine Products, Sandal Oil & Sandal Carvings, Ivory & Wood Handicraft, Construction Industries Tiles etc.
Goa	Marine Products, Pharmaceuticals, IT (Software) Electronic goods, Cashews, Hosiery, Garments, Tourism.
Lakshadweep	Sea boats, coconut oil
Kerala	Coir & Coir Products, Marine Products, Cashew, Handloom, Light Engineering, Rubber & Rubber Products, Processed food products & Spices.
Tamil Nadu	Hosiery Products, Sericulture, Leather Tanneries & Leather products, Handicrafts, Brass wares, General Engineering, Cotton & Silk Textiles, Matches & Fireworks, Marine Products IT (Hardware & Software) spices & agro products, Wind power generation, Film processing & Editing.
Pondicherry	Chemical products, Cotton, Food products, Rubber products & Leather products, Plant products.
Andaman & Nicobar	Handicrafts, Wheat floor, Soft drinks, Fabrication work, Camera Film processing & Photo developing, Steel & wooden furniture, Marine products.

Source : Office of DC MSME, Ministry of MSME, Government of India



There are more than 6000 products ranging from traditional to high-tech items, which are being manufactured by the MSME in India. It is well known that the MSMEs provide the maximum opportunities for both self-employment and jobs after agriculture.

The objective of above analysis leads to giving birth the concept of Cluster culture in Indian MSME sector. The contribution, importance and role of government has been discussed below.

2.0 Contribution of MSMEs In India towards success to industrial clusters

The MSME landscape has matured over time and moved up the value chain. The MSME sector has evolved from the manufacturing of traditional products to much more hybrid products to the value-added services segment. This has been majorly supported by the consortium approach adopted by MSMEs. Due to advent of industrial clusters, Firms in the MSME sector that were earlier facing difficulties in achieving economies of scale, specialization and innovation due to their small size are now increasingly benefitting. Clusters and associated networks enable small firms to combine the advantages of running a small unit with the benefits of scale and specialization provided by large units. Currently, there are more than 600 industrial SMEs clusters and over 7,000 artisan/micro enterprise clusters operating in India. Moreover, there are about 2,500 untapped rural industry clusters in the country. Some of these clusters are so large that they account for nearly 80.0 per cent of production of a selected product within the country. The networking approach has helped MSMEs to overcome barriers such as technological obsolescence, supply chain incompetence, global competition and investment shortages. Furthermore, to capitalise on the benefits from specific target customer base, clusters are classified as export-oriented and specialised domestic ones. Tirupur textile and Vizag marine processing clusters focus mostly on exports. On the other hand, the requirements of large domestic firms are supplied by MSMEs in specialised domestic clusters such as Jamshedpur's engineering cluster and Pune's auto cluster.

3.0 industrial clusters benefiting to msmes

The inter-firm linkages stimulated by these clusters and networks have aided MSMEs to move up the value chain and gain competitiveness. At the same time, given greater access to technology and better production coordination techniques in the sector, MSMEs' efficiency has significantly improved. This would provide them with greater business viability. Given this greater sense of sustainability, entrepreneurs have been emboldened to introduce innovation in products and processes and enter new geographies. Moreover, diffusion of information, resources and technical proficiencies within industrial clusters has reduced total costs and facilitated technical reforms. Most technological improvements in the sector were influenced by demand from large domestic or international buyers or supply-chain partners. In addition to the above benefits, firms within a specific cluster have been able to better utilise the available infrastructure by sharing the same transport mechanism. These clusters even helped the journey of rural artisans with innate skills to self-sufficiency by overcoming their funding and technology-based constraints.

4.0 Exploring Of Unmapped Potential Clusters Through Cluster Development

Numerous success stories showcasing the potential of MSMEs have been recorded in India. Many industrial zones across sectors adopted the participatory approach by coming together to reap the enormous benefits of clustering. The event of cluster formation may be classified as natural and artificial. The former is driven by huge demand conditions or a private sector unit, while the latter is supported by favourable infrastructure ecosystem and policies or a large buying undertaken by a public sector initiative. The textile industry, largely operated within industrial clusters, in India is home to more than 70 clusters, accounting for around 80.0 per cent of the total country's production. There are several successful natural clusters across the country. Panipat is home to 75.0 per cent of total blankets produced in the country, the Tirupur contributes 80.0 per cent to total cotton hosiery export, and Agra exports shoes worth USD60.0 million annually. Similarly, Ludhiana has become the hub for production of woolen knitwear, sewing machines and, bicycles and bicycle parts in India. On the other hand, the auto component industry at Gurgaon is an induced cluster. Setting up of Maruti Udyog Ltd.'s public sector car manufacturing unit laid the foundation for the cluster formation. Moreover, petrochemical-based cluster at Vadodara was driven by the establishment of Indian Petrochemical Industries Ltd. (another public sector initiative). Additionally, majority of the gems and jewellery exports come from Surat (Gujarat) and Mumbai (Maharashtra). Likewise, Chennai, Agra and Kolkata are hubs for leather and leather-based products.

5.0 Efforts of government towards cluster development and marketing promotion

The numerous advantages of operating in a cluster have prompted several regional and local organisations to take up cluster-based projects and promote smaller firms. The various central government initiatives involve provision of technical aid, grant for technology advancement and marketing assistance to provide a competitive edge to MSME units in the global ecosystem. State governments of Andhra Pradesh, Gujarat, Kerala, Madhya Pradesh and Tamil Nadu have also undertaken cluster development strategies. The early advancements in the field are formation of National Small Industrial Corporation Ltd., Small Industries Development Bank of India, Khadi and Village Industries Commission, The Baba Saheb Ambedkar Hastshilp Vikas Yojana Scheme, United Nations Industrial Development Organisation Cluster Development Programme, State Bank of India's UPTECH Programme, and Rajasthan Chamber of Commerce and Industry, among others. The soft and hard intervention provided due to MSECluster Development Programme, Lean Manufacturing Programme,ISO Certification Programme and other information and communication tools programmes launched by the Government of India would also help industrial clusters in India to improve their productivity. To avail benefits from the above mentioned funding schemes, the government is actively disseminating information amongst rural entrepreneurs. Moreover, schemes and programmes supporting infrastructure, skill set, and entrepreneurship and technology development, coupled with cluster-building activities, would help in optimising the returns and maximising the country's growth in the long term.

5.1 Dereservation

The issue of de-reservation has been a subject of animated debate within government for the last twenty years. The Approach to the Eleventh Five Year Plan notes the adverse implications of reservation of products for exclusive manufacture by the MSEs and recommends the policy of progressive dereservation. To facilitate further investments for technological up gradation and higher productivity in the micro and small enterprises, 654 items have been taken off the list of items reserved for exclusive manufacture by the manufacturing micro and small enterprises in the last few years – reducing it to 21 at present. This has helped the sector in enlarging the scale of operations and also paved the way for entry of larger enterprises in the manufacture of these products in keeping with the global standards.

5.2 Micro and Small Enterprises Cluster Development Programme

The Micro and Small Enterprises Cluster Development Programme (MSECDP) is implemented for holistic development of clusters of MSEs. The programme envisages measures for capacity building, skill development, technology upgradation of the enterprises, improved credit delivery, marketing support, setting up of common facility centres, etc., based on diagnostic studies carried out in consultation with cluster units and their collectives and management of cluster-wide facilities by the cluster collectives. Marketing Assistance and Technology Upgradation Scheme for MSMEs: The objective of this scheme is to identify and encourage those clusters of MSMEs, which have quality production and export potential and assist them to achieve competitiveness in the national and international markets. The scheme aims at improving the marketing competitiveness of MSME sector by improving their techniques and technology for promotion of exports. The GoI contribution is stipulated as Rs.19 crore for this scheme. The broad activities planned under the scheme include technology upgradation in packaging, development of modern marketing techniques, competition studies, etc. Technology and Quality Upgradation Support to MSMEs: The objective of the Scheme is to sensitize the manufacturing (MSME) sector in India to upgrade their technologies, usage of energy efficient technologies to reduce emissions of Green House Gases, adoption of other technologies mandated as per the global standards, improve their quality and reduce cost of production, etc., towards becoming globally competitive. The major activities planned under the scheme include Capacity Building of MSMEs Clusters for Energy Efficiency/Clean Development Interventions, Implementation of Energy Efficient Technologies in MSME sector, Setting up of Carbon credit aggregation centres and encouraging MSMEs to acquire product certification licenses from National/International bodies.

5.3 Marketing and Procurement

Under Government Stores Purchase Programme, various facilities are provided to enterprises registered with National Small Industries Corporation (NSIC) in order to assist them for marketing their products in competitive environment.

These facilities are :

(i) issue of Tender Sets free of cost;

(ii) exemption from payment of Earnest Money Deposit;

(iii) waiver of Security Deposit upto the Monetary Limit for which the unit is registered; and

(iv) Price preference up to 15% over the quotation of large-scale units.

In addition to these facilities/benefits, 358 items have also been reserved for exclusive purchase from the MSE Sector.

However, as these guidelines were/are not of a mandatory nature, the same has failed to achieve the desired results. To assist the MSEs in marketing of their products, Section 12 of the new MSMED Act enjoins the formulation of a scheme of preferential procurement of goods/services produced/rendered by MSMEs both at the Central and State/UT levels. Once formulated, the procurement scheme may be more effective in providing the much-needed marketing support that MSEs seek so desperately. Each Ministry/Department, CPSU, etc., would have to make specific mention of the Compliance of the preference policy in its Annual Report to be tabled in Parliament.

5.4 Export Promotion

Export promotion from the MSE sector has been accorded a high priority. To help MSEs in exporting their products, the following facilities/incentives are provided:

(i) Products of MSE exporters are displayed in international exhibitions and the expenditure incurred is reimbursed by the Government;

(ii) To acquaint MSE exporters with latest packaging standards, techniques, etc., training programme on packaging for exporters are organised in various parts of the country in association with the Indian Institute of Packaging;

(iii) Under the MSE Marketing Development Assistance (MDA) Scheme, assistance is provided to individuals for participation in overseas fairs/ exhibitions, overseas study tours, or tours of individuals as member of a trade delegation going abroad.

(iv) The Scheme also offers assistance for

- (a) sector specific market study by MSE Associations/Export Promotion Councils/Federation of Indian Export Organisation;
- (b) Initiating/contesting anti-dumping cases by MSE Associations; and
- (c) reimbursement of 75 per cent of the one time registration fee and annual fee (recurring for first three years) charged by GSI India (formerly EAN India) for adoption of Bar Coding.

Conclusion

MSMEs are likely to experience a more conducive landscape going forward, with the government committed to provide momentum to the sector by including it as an integral part of industrial policy. Experts opine the share of MSMEs in the country's GDP would touch double-digits by the end of this decade from the current 8.0 per cent. SMEs' contribution to the country's GDP is expected to increase to 22.0 per cent by 2020. The anticipated rise can be attributed to policymakers' focus on boosting the country's manufacturing sector and promoting greater role of entrepreneurial activity across sectors. This could lead to a wide range of lucrative opportunities for domestic and international investors.

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A STUDY ON CONSUMER BEHAVIOR AND BRAND PREFERENCE IN RELATION TO PACKAGED FAST FOOD IN MUZAFFARNAGAR REGION

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ABSTRACT

This study investigates the brand preference and consumer behavior regarding packaged fast food in the Muzaffarnagar region. With the growing trend of fast food consumption, particularly packaged varieties, understanding the factors influencing consumer choices becomes critical for brands seeking to strengthen their market presence. The research employs a descriptive approach, utilizing a structured questionnaire to collect primary data from a sample of 300 respondents across diverse demographic categories. Factors such as taste, price, brand reputation, convenience, and advertising were analyzed to determine their impact on consumer decision-making. The findings suggest that taste and convenience are the most significant determinants of brand preference, followed by price sensitivity and brand loyalty. The study also explores the role of promotional activities in influencing consumer choices and highlights the growing importance of health-conscious choices among consumers. The research provides valuable insights for businesses in the packaged fast food sector to better align their marketing strategies with consumer expectations in the Muzaffarnagar region.

***Keywords:** Brand preference, consumer behavior, packaged fast food, Muzaffarnagar, buying patterns*

Introduction

The fast food industry has witnessed rapid growth globally, fueled by changing lifestyles, urbanization, and the increasing demand for convenience. In India, this trend has been amplified with the rise of packaged fast food products, which offer quick, affordable, and easily accessible meals to a wide consumer base. Muzaffarnagar, a growing urban region in Uttar Pradesh, has not been immune to this phenomenon. As the preferences of consumers in this region continue to evolve, understanding the underlying factors that influence brand preference and consumer behavior is crucial for businesses within the packaged fast food sector.

Brand preference in the fast food market is driven by various factors including taste, price, convenience, quality, advertising, and the perceived healthiness of the product. With an increasing number of packaged fast food brands competing for attention, it becomes imperative to identify what shapes consumer choices. Consumer behavior in this context not only involves product selection but also the factors that lead to repeat purchases and brand loyalty. Moreover, consumer behavior is increasingly shaped by shifting socio-economic trends, cultural influences, and growing concerns over health and nutrition.

This study aims to explore the brand preference and consumer behavior associated with packaged fast food in the Muzaffarnagar region, focusing on understanding the key drivers behind consumer choices. By examining various socio-demographic factors, purchasing patterns, and the influence of marketing strategies, this research intends to provide actionable insights for fast food brands looking to strengthen their presence and enhance consumer satisfaction in the region. Through this study, we seek to contribute to a deeper understanding of the complex relationship between consumers and packaged fast food products, thereby offering valuable guidance to marketers and business stakeholders in the fast food industry.

Objectives of the Study

1. To identify the key factors influencing brand preference for packaged fast food.
2. To analyze consumer behavior when purchasing packaged fast food.
3. To provide recommendations for brands to improve customer engagement and satisfaction.

Review of Literature

Consumer behavior in the fast food industry is shaped by various psychological, social, and cultural factors. Schiffman and Kanuk (2010) defined consumer behavior as the study of how individuals make decisions to spend their resources on consumption-related items.

1. **Convenience:** Packaged fast food appeals to consumers due to its ready-to-eat nature, saving time and effort (Kumar & Bansal, 2015).
2. **Affordability:** Price sensitivity plays a critical role, with consumers often gravitating towards affordable options that offer perceived value for money (Gupta et al., 2018).
3. **Taste Preferences:** Flavor profiles and product diversity significantly influence consumer preferences (Rana & Paul, 2017).
4. **Marketing Strategies:** Effective branding, advertising, and promotional activities shape consumer perceptions and brand loyalty (Kotler et al., 2015).
5. **Brand Image:** A positive brand image fosters trust and enhances consumer loyalty (Aaker, 1996).
6. **Product Quality:** Consistency in taste, packaging, and freshness are vital for building brand preference (Kaur & Singh, 2019).
7. **Cultural Relevance:** Brands that cater to local tastes and dietary habits often outperform competitors (Chaudhary & Bisht, 2020).
8. **Digital Influence:** Social media and online reviews play a significant role in shaping brand perceptions (Kapoor & Kulshreshtha, 2021).
9. **Urban vs. Rural Divide:** Urban consumers demonstrate a higher preference for branded packaged fast food, driven by exposure to advertising and availability (Saxena & Prasad, 2019).
10. **Health Concerns:** Growing awareness about health and nutrition influences purchasing decisions, with consumers seeking healthier options (Mishra & Pathak, 2020).
11. **Cultural Nuances:** Regional tastes and preferences significantly impact brand success. For instance, spicier flavor profiles are preferred in northern regions like Muzaffarnagar (Joshi & Verma, 2018).
12. **Awareness and Accessibility:** Awareness of packaged fast food brands has increased, particularly among younger demographics (Khan & Sharma, 2021).

13. **Local Preferences:** Brands offering culturally resonant flavors and competitive pricing tend to be more successful in this region.
14. **Socio-Economic Influence:** Income levels and educational background influence brand preference and purchasing patterns.

Research Gap

1. Limited studies on rural and semi-urban areas like Muzaffarnagar.
2. Insufficient analysis of the impact of local cultural factors on brand preference.
3. Lack of longitudinal studies tracking changes in consumer behavior over time.

Discussion

The findings highlight that taste and quality are the most critical factors in determining brand preference for packaged fast food. Pricing also plays a significant role, as consumers in the region are price-sensitive and seek value for money. Availability in local stores is another key driver, as consumers prefer brands that are easily accessible. Advertising and promotional offers create brand awareness but are secondary to taste and quality in influencing purchase decisions.

Brand loyalty among consumers in Muzaffarnagar is moderate, with many willing to try new products. This behavior presents an opportunity for emerging brands to capture market share by offering unique flavors or better pricing. The preference for local brands indicates a demand for products that cater to regional tastes, suggesting that national brands could benefit from localizing their offerings.

Recommendations

1. **Focus on Taste and Quality:** Brands should prioritize maintaining consistent taste and using high-quality ingredients to meet consumer expectations.
2. **Competitive Pricing:** Offering discounts and value packs can attract price-sensitive consumers.
3. **Improve Availability:** Expanding distribution networks to cover more local stores can increase market penetration.
4. **Targeted Advertising:** Creating advertisements that emphasize regional preferences and family-oriented themes can enhance brand appeal.
5. **Innovate with Regional Flavors:** Introducing flavors that reflect local tastes can help national brands compete with regional favorites.
6. **Promotional Strategies:** Using social media and in-store promotions can effectively reach younger audiences and drive sales.

Conclusion

Packaged fast food is a growing segment in the Muzaffarnagar region, driven by changing consumer preferences and lifestyles. Taste, quality, price, and availability are the most influential factors in brand preference. While national brands dominate the market, local brands also hold a significant share due to their regional appeal. By addressing the key drivers of consumer behavior, packaged fast-food brands can improve customer satisfaction and loyalty, ensuring long-term growth in the competitive market.

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A COMPREHENSIVE STUDY FOR THE RELATIONSHIP BETWEEN PARENT BRAND IMAGE AND EXTENDED BRANDS

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ABSTRACT

In today's cutthroat market, brand expansions—the deliberate growth of well-known companies into other product categories—have become a common marketing strategy. The influence of the core brand's reputation is essential to the adoption of expanding brands.

A thorough framework that explains the dynamics of this impact is presented by this theoretical analysis. Our methodology addresses key components that together shape consumers' views of brand expansion, including uniformity, brand associations, and reputation. For brand supervisors and researchers examining the intricacies of brand diversifications and how they are received in various market conditions, these elements are essential.

Furthermore, our framework highlights two important aspects of original brand image influence: a stable brand image and a positive parent brand image that is defined by status, recognition, and perceived quality. The success of brand expansions is determined by these factors, which have a major impact on consumer perceptions, perceived compatibility, and consumer reliance. Additionally, our research explores mediating influences, highlighting the critical roles of emotive branding and customer trust. These elements serve as linkages, converting the parent brand image into customer perceptions and perceived compatibility, which in turn affects the success of brand extensions. Finally, we look at moderating factors that add context-specific complexity to our theory, such as product category and brand history.

For brand planners looking to maximize brand portfolios and improve brand expansion acceptance in the fast-paced market of today, this theoretical investigation offers a solid foundation for empirical study in the fields of marketing and brand oversight.

Keywords: *Parent Brand Image, Brand Equity, Brand Extension, Brand Loyalty, Brand Associations*

Introduction

In today's corporate environment, brand extensions—the expansion of well-known brand names into new product categories—have become a common strategy (Keller, 2003). This calculated move gives brand overseers a promising chance by using the value that the parent brand has built up to launch new products. For businesses looking to improve their brand portfolios while lowering the risks involved in introducing completely new brands, brand expansion success is essential (Aaker, 1990). The reputation of the parent brand is crucial in this situation. Customers' perceptions and adoption of brand extensions can be significantly impacted by a strong and positive parent brand reputation (Simonin & Ruth, 1998). Consumer attitudes, inclinations, and purchase intentions are influenced by the parent brand's reputation, which forms the basis for brand extensions (Keller, 1998). According to research by Aaker and Keller (1990), consumer support and the success of brand expansions depend critically on how well the brand and its extended form mesh. Although many aspects of brand extensions have been covered in the literature, the relationship between the adoption of extensions and the core brand image continues to be a major area of research (Aaker & Keller, 1990). Empirical research emphasises how important this connection is. For instance, a study by "Chattopadhyay and Alba (1988)" found that a positive perception of compatibility is positively influenced by a positive parent brand reputation, which in turn leads to a more positive attitude towards extended brands.We will present a thorough framework in the following sections that combines basic elements, the impact of core brand reputation, mediating factors, and moderating factors to offer a comprehensive perspective on how parent brand reputation affects brand expansions.

This framework seeks to provide a foundation for future empirical study in the field of marketing and brand expansions. It is based on an assessment of the body of existing literature and theoretical ideas. Businesses looking to maximise their brand strategy and improve the acceptability of brand expansions in a cutthroat market must comprehend the mechanisms underlying this relationship.

Objectives of the Study

1. To analyze the influence of parent brand image on the perceived value and acceptance of extended brands.
2. To provide strategic insights for brand managers on optimizing brand extensions while maintaining the integrity of the parent brand image.

Literature Review

Brand extensions, which are defined as the introduction of new goods or services under an existing brand name, represent a calculated strategy used by companies to capitalise on the value of their parent trademarks (Aaker, 1990). A key factor in determining the success of these expansions is how consumers view the parent brand, including their associations and perceptions about it (Keller, 1993). The importance of congruence between the perception of the parent brand and the extended product is highlighted by perceived harmony, a key concept in brand extension literature (Keller, 2003). A key concept in brand extension literature, perceived harmony emphasizes the importance of congruence between the extended product's perception and that of the parent brand (Keller, 2003). When users notice a strong congruity, they are more likely to accept extensions (Park et al., 1991). When the parent brand enjoys a positive view, this is particularly noticeable since a positive trademark perception affects customer expectations of the expansion and leads to more positive attitudes (Loken & John, 1993). Consumer reliance is a key aspect in managing the relationship between the perceived congruity of expansions and the core brand image (Keller, 1998). A positive perception of the parent brand encourages consumer dependence, which raises acceptability of the expansions (Aaker & Keller, 1990). Furthermore, the impact of parent brand perception on consumer beliefs of expansions is mediated by affective branding, which includes building emotional connections with customers (Thomson, MacInnis, & Park, 2005).

Resources and Methods

This conceptual study's materials and methods, which centre on "The Influence of Parent Brand Image on Brand Extensions," are mostly derived from secondary sources. This secondary data was gathered from a variety of relevant sources, such as industry reports, textbooks, journal articles, and scholarly research papers. These resources are necessary to lay the foundation for creating the conceptual framework and creating an extensive literature evaluation.

To guarantee that secondary data sources are directly related to the research topic, they are carefully chosen. Our main requirements for inclusion are the following: the influence of product category; perceived fit; consumer trust; emotional branding; brand extensions; thematic focus on parent brand image; and the track record of brand extensions. Data extraction is the methodical process of locating, gathering, and classifying information obtained from these secondary data sources.

Conceptual Framework

The research's theoretical framework provides a solid foundation for understanding the intricate relationship between a primary brand's reputation and the success of its brand expansions. Its three main components—Main Brand Reputation, Brand Associations, and Uniformity in its Image—combine to shape consumer perceptions and the acceptance of brand expansions. The model's cornerstone is Main Brand Image, which captures the vitality of the core brand, which includes brand recognition, standing, and perceived excellence. Customers' willingness to accept brand extensions is significantly influenced by a strong core brand, which is characterised by high brand recognition, a positive reputation, and an evident dedication to quality. Customers are more likely to see a natural coherence between the core brand's reputation and its expansions when they hold the core brand in high regard, which makes them more supportive of the expansions. Consumer impression of the main brand and its extensions is greatly influenced by brand connections. These associations show the exact characteristics, values, and sentimental ties that customers identify with the main brand. While negative brand associations can deter customers, positive ones like novelty and dependability increase the appeal of expansions. In order to guarantee that expansions align with the intended brand image, brand overseers must fully understand and manage these relationships. Consumer trust and congruence are critically dependent on the brand's reputation being consistent across a range of goods and services sold under the same brand. Customers are reassured by a consistent brand reputation that they may expect a particular level of quality, values, and dedication throughout all extensions.

It increases the perceived alignment between the primary brand and its expansions and cultivates trust. Conversely, inconsistent brand reputations can confuse customers and make it more challenging to approve brand extensions. Three key concepts—Perceived Harmony, Consumer Understanding, and Expansion Achievement—define brand expansions, which refer to goods or services offered under the same brand. One of the main factors influencing consumer attitudes towards extensions is perceived trust, or the degree to which customers believe the reputation of the core brand and the extended product or service are compatible. Consumer comprehension includes a thorough analysis that considers both the brand's emotional and material attributes. The ultimate metric for evaluating a brand extension's effectiveness is expansion achievement, which takes into account consumer approval, market performance, and sales statistics. Moderating and intermediate factors are also taken into account by the model. The gap between the core brand reputation, perceived harmony, and consumer perception of brand expansions is filled by intermediary factors like consumer trust and emotional branding. These factors highlight how important it is to foster emotional bonds and reliance in order to increase the acceptance and success of brand expansions. Additionally, the model accounts for moderating and intermediate variables. customer perception of brand expansions and perceived harmony are separated by intermediary factors like emotional branding and customer trust. The importance of building trust and emotional ties to increase the acceptance and success of brand expansions is highlighted by these factors. Understanding that different product groups and a brand's past performance can significantly influence consumer opinions and support for brand expansions allows moderating factors like product category and brand history complexity.

Discussion

This research offers a conceptual framework that investigates the complex relationship between the acceptance of brand expansions and the reputation of a primary brand. The strength of the original brand, its associations, and the stability of its image are key elements of this framework. Customers' support for extensions is positively impacted by a strong parental brand with positive relationships. Maintaining a consistent brand image is essential to winning over customers. Aspects like consumer attitude, perceived compatibility, and the success of expansions are also important. This relationship is influenced by moderating factors like product classification and brand legacy as well as intermediary elements like sentimental branding and dependency. In a highly competitive market, this approach helps researchers and brand supervisors navigate complex brand extension management.

Conclusion

The conceptual framework provides a thorough foundation for investigating the complex dynamics of the primary brand's reputation and how they affect brand expansion. It contributes to a nuanced understanding of the complex relationships that support the success of brand expansions by offering insights into the importance of consumer trust, emotional brand development, product category, and brand history. In conclusion, this conceptual framework provides a foundation for future empirical research in the marketing and brand management fields, enabling businesses and brand managers to improve their brand strategies and increase brand growth reception in a cutthroat commercial climate. Navigating the complex terrain of modern branding requires an understanding of the mechanisms underlying the relationship between the expansion of a brand and its reputation.

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AN EXAMINATION OF INDIA'S EMPLOYMENT GENERATION AND SKILL DEVELOPMENT INITIATIVES

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ABSTRACT

Despite a workforce of 900 million people, or 67% of the nation's working-age population, and a population of over one billion, India has consistently seen remarkable GDP growth. India has seen substantial urbanization, rapid economic expansion, and foreign direct investment, all of which have raised the need for skilled workers. Both the organized and unorganized sectors of the country's economy suffer from a serious skills shortage. A major obstacle to India's shift to a knowledge economy is the country's low literacy rate and pervasive underdevelopment of skills.

Insufficient job creation and inadequate training of employees could cause India's demographic dividend to reverse. For India to capitalize on this demographic advantage going forward, a flexible, sustainable, inclusive, and innovative paradigm for vocational education and training delivery must be established. Several academic articles, official websites, reports, and other sources provided the secondary data used in this article. Initiatives for skill development and job creation in India were the focus of the study.

Keywords: *Job creation, Plans for creating jobs, Skill development, Employment generation*

Introduction

India is one of the fastest-growing economies in the world, with a large and diverse workforce. However, the country faces significant challenges in creating enough jobs for its growing population and ensuring workers have the skills needed for today's rapidly changing economy. Employment generation and skill development have become key priorities for the government, industries, and policymakers.

To address these challenges, India has launched several initiatives aimed at creating jobs and improving the skills of its workforce. Programs like Skill India, Make in India, and the National Skill Development Mission focus on enhancing vocational training, fostering entrepreneurship, and promoting industries that can generate employment. These efforts are critical not only for reducing unemployment but also for boosting economic growth and improving the quality of life for millions of Indians.

This paper explores India's employment generation and skill development initiatives. It examines their goals, achievements, and challenges, as well as their impact on the country's economy and workforce. By analyzing these initiatives, the paper aims to understand how India can create a more inclusive and sustainable labor market for the future.

OBJECTIVES OF THE STUDY

1. To Study the goals, structure, and implementation of major skill development programs like Skill India and National Skill Development Mission.

2. To research the several government-sponsored skill-development programs in India.

REVIEW OF LITERATURE

In order to have a better understanding of the state of employment generation and poverty in India, Niranjan, R., and Shivakumar (2017) conducted research for their study, "Poverty and Employment Generation in India." The analysis shows that between 1983 and 2010, the proportion of jobs created in the primary sector decreased due to the expansion or growth of the secondary and tertiary sectors. Between 1983 and 2010, a total of 302.76 million, 374.45 million, 397 million, and 414 million jobs were created. Approximately 111.24 million more persons were employed in all sectors between 1983 and 2010.

The research article "Skill development in India: A brief analysis of skill gap" by Basavapattan, R. (2021) focused on addressing the skill gap in India and examined the various government skill development initiatives. According to his analysis, the NSDC projects that by 2022, India would require an extra 347 million skilled workers across 21 high-growth sectors.

In his study article "Role of Skill Development Programme in Employment Generation Among Women in Bihar," Paswan, K. (2019) placed particular emphasis on the role that skill development programmes play in helping women in Bihar find work. From a socioeconomic and demographic perspective, the study has demonstrated the significance of skill development for women in Bihar.

Behera, B. and Gaur, M. (2022) attempted to assess the literature on the Indian skill development movement and to understand the research gaps for additional study of the skill development training offered by different Indian skill development agencies in their research paper "Skill development in India - A literature review." The findings of their analysis clearly demonstrated that the COVID-19 pandemic and the rapid advancement of technology had caused a significant skill gap between our country's unskilled labour force and industry demands.

A. Swain and S. Swain conducted research on "Skill Development in India: Challenges & Opportunities" in 2020. The study's objective was to examine the information gathered from the National Skill Development Corporation. With a youth population of roughly 60%, India is the second most populous country in the world. The study concluded that India has a "demographic dividend" that should be used to support the "Make in India" campaign by providing the skilled labour force needed to grow the country's economy.

The goal of Yadav et al. (2018)'s research paper, "Skill Development in Youth and its Challenges in India," was to examine the barriers Indian youth face when trying to take advantage of skill development programs and to evaluate how well those who receive skill development training utilize them. In order to properly execute the programs and supply the nation with trained workforce by 2022, the current administration needs to work with industry, according to the study's results.

RESEARCH METHODOLOGY

Secondary data sources provide support for the paper. The material and data for this study came from a variety of sources, including books, journals, newspapers, reports, government documents, and published articles. These statistics serve as the foundation for the results and recommendations presented in this work. To expand knowledge, a variety of people's viewpoints and ideas have also been investigated.

India's need for skill development

The success of recently announced initiatives like Make in India, Digital India, Atmanirbhar Bharat, Startup India, etc., depends heavily on the skilled labour.

China's slowdown presents an opportunity: Due to China's progressive factory closures, growing salaries, the strengthening Yuan, and the country's internal demographic problem of having too few young people, the slowdown in China offers India a chance to seize the lead in the global economy.

Increase employment: In order to have better jobs, those now enrolled in college must learn the requisite skills.

The demographic information Dividend: India has a great opportunity to capitalize on the expanding market since the populations of most of the world's major nations are ageing. Only a few decades make up the "demographic window." To keep a demographic boom from turning into a demographic bust, we need young people with skills.

Sector organizing: The demand for agricultural labour will decline as productivity rises. Labour from rural to secondary and tertiary sectors would be mobilized sectorally as a result.

The Skill Capital of the World: In order to create a workforce that satisfies international standards for quality and productivity, India must combine education with skills and training.

The government of India has launched the following initiatives for skill development:

Name of the initiative/Scheme	Year of Launch	Objective of the initiative/Scheme
Pradhan Mantri Kaushal Vikas Yojana (PMKVY)	2015	To increase youth employability and industry
To increase youth employability (CTS)	1950	To reduce joblessness among educated young people by providing them with employable skills, and to maintain a steady supply of skilled workers in diverse trade for the home economy.
Women's Vocational Training Programme (WVTP)	1977	To promote the participation of women in the economy
National Apprenticeship Promotion Scheme (NAPS)	2016	To advocate for the apprenticeship in the nation while also offering financial
Advanced Vocational Training Scheme (AVTS)	1977	To improve and modernize the serving industrial workers' skills
Atmanirbhar Bharat Rojgar Yojana (ABRY)	2020	To encourage firms to create new jobs, provide social security benefits, and compensate workers who lost their jobs due to the COVID-19 pandemic.
Pradhan Mantri Garib Kalyan Rojgar Abhiyaan (PMGKRA)	2020	To utilize a multi-pronged approach to address the difficulties of returning migrant workers and similarly
Pradhan Mantri Rojgar Protsahan that Yojana (PMRPY)	2016	To offer incentives to businesses so that they can create more jobs.
Dual System of Training (DST)	2019	To equip ITI trainees in numerous vocations with employable skills.
Pre-Departure Orientation Training (PDOT)	2017	To educate prospective immigrants on the language, the culture, and the dos and don'ts in the destination country

Conclusion

India's efforts in employment generation and skill development play a crucial role in addressing the country's economic and social challenges. Initiatives like Skill India, Make in India, and the National Skill Development Mission have made significant progress in creating opportunities for the workforce and equipping individuals with the skills needed for a competitive job market.

However, challenges such as skill gaps, limited job opportunities in certain sectors, and implementation inefficiencies still persist. Bridging these gaps requires stronger partnerships between the government, private sector, and educational institutions. Emphasizing innovation, digital skills, and vocational training aligned with industry demands is essential to meet the needs of a dynamic economy.

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A COMPREHENSIVE STUDY OF RESEARCH ON THE EMPLOYEE BENEFITS ON WORKFORCE PRODUCTIVITY

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ABSTRACT

This research aims to provide a comprehensive analysis of the relationship between employee benefits and workforce productivity. In today's competitive business environment, organizations are increasingly recognizing the importance of employee benefits as a strategic tool to enhance workforce performance and overall productivity. Employee benefits, including health insurance, retirement plans, paid leave, performance incentives, and work-life balance programs, play a significant role in shaping employees' job satisfaction, motivation, and engagement. This study reviews existing literature on the subject, drawing insights from various sectors and geographical regions to understand how different types of employee benefits impact productivity. The research employs a mixed-methods approach, combining qualitative interviews with HR managers and quantitative surveys of employees to gather diverse perspectives. The findings suggest that comprehensive and well-structured employee benefits are positively correlated with higher levels of productivity, improved employee morale, reduced absenteeism, and increased organizational loyalty. Furthermore, the study identifies key factors such as the customization of benefits to meet employee needs and the alignment of benefits programs with organizational goals as critical to maximizing their effectiveness. This research contributes to the understanding of the role of employee benefits in driving workforce productivity and provides practical recommendations for organizations to develop and implement effective benefits programs.

Introduction

In the evolving business landscape, organizations are continuously seeking strategies to enhance workforce productivity and stay competitive. Among various factors influencing employee performance, the role of employee benefits has gained significant attention in recent years. Employee benefits are non-wage compensations provided by employers, which can include a wide range of offerings such as health insurance, retirement plans, paid time off, performance bonuses, wellness programs, and flexible working conditions. These benefits, when thoughtfully designed and implemented, have the potential to boost job satisfaction, motivation, engagement, and ultimately, workforce productivity.

The relationship between employee benefits and productivity is multifaceted. Well-structured benefit programs are believed to contribute to creating a positive work environment, attracting and retaining top talent, reducing turnover rates, and fostering a more committed and motivated workforce. However, the effectiveness of these benefits varies depending on organizational context, employee expectations, and the alignment of benefit offerings with the needs and preferences of the workforce.

As organizations invest significant resources into their employee benefit programs, understanding the direct and indirect impact of these benefits on productivity is crucial for maximizing return on investment. This research aims to comprehensively explore the existing body of knowledge on the subject, analyzing how different types of employee benefits influence various aspects of workforce productivity. By reviewing key studies and gathering primary data through surveys and interviews, this study seeks to provide insights into the optimal design and implementation of employee benefits programs that drive tangible improvements in employee performance and organizational success.

Objectives

1. To understand how the customization of employee benefits to meet the diverse needs of employees influences their engagement levels and, consequently, their productivity.
2. To assess the impact of employee benefits on retention rates and how reducing turnover through attractive benefit offerings can enhance long-term productivity.
3. To investigate how various types of employee benefits (health insurance, retirement plans, paid leave, performance incentives, wellness programs, etc.) influence individual and organizational productivity.

Literature of Review

1. The Role of Employee Benefits in Enhancing Job Satisfaction

Numerous studies have explored the connection between employee benefits and job satisfaction, emphasizing that the provision of attractive benefits is linked to greater satisfaction at work. According to Smith (2015), employees who receive comprehensive benefits packages, including health insurance, retirement plans, and paid leave, report higher levels of job satisfaction. The satisfaction, in turn, leads to increased motivation and improved work performance. Research by Allen (2016) further supports this claim, noting that when employees feel valued and cared for through benefits, they are more likely to invest their time and energy in their roles, thus enhancing productivity.

2. Impact of Health and Wellness Benefits on Productivity

Health-related benefits, such as medical insurance, wellness programs, and gym memberships, are among the most common benefits offered by organizations. A study by Goetzel and Ozminkowski (2002) indicates that organizations that invest in employee health programs see a measurable increase in productivity, often through reduced absenteeism and improved morale. Healthy employees are more likely to be engaged, efficient, and less prone to burnout, contributing to higher levels of productivity. Furthermore, research by Baicker et al. (2010) demonstrates that workplace wellness programs can reduce healthcare costs while simultaneously improving employee performance and retention, thus having a direct impact on overall productivity.

3. Work-Life Balance and Productivity

Work-life balance has become an increasingly important factor influencing productivity in contemporary work environments. Employee benefits that support work-life balance, such as flexible working hours, remote work options, and paid time off, have been found to have a positive impact on workforce productivity. Studies by Greenhaus and Allen (2011) highlight that employees who experience better work-life balance through such benefits are less likely to experience burnout and more likely to be productive when they are at work. In fact, flexible benefit programs are often associated with reduced absenteeism and improved performance outcomes (Kossek & Ozeki, 1998).

4. The Impact of Employee Benefits on Employee Retention

Employee retention is directly tied to workforce productivity, as high turnover disrupts organizational efficiency. Research suggests that well-designed employee benefits programs can reduce turnover rates by increasing employee loyalty and engagement. A study by Kelliher and Anderson (2010) found that employees who perceive their benefits as valuable and relevant to their personal and professional needs are more likely to stay with the organization. Moreover, the availability of benefits such as retirement plans, health insurance, and performance bonuses creates a sense of long-term security for employees, encouraging them to remain committed and perform at higher levels (Batt, 2002).

5. The Impact of Paid Time Off and Work-Life Balance on Productivity

Paid time off (PTO) and vacation benefits are often overlooked in discussions about employee productivity, yet they play a crucial role in maintaining long-term productivity. Research by de Lange et al. (2003) highlights that adequate vacation and PTO policies contribute to preventing employee burnout and stress, which are known to negatively impact productivity. Employees who are well-rested and have time to recharge are more likely to be focused, creative, and productive upon their return to work. Moreover, PTO policies contribute to work-life balance, which has been shown to enhance job satisfaction and reduce turnover rates, both of which have indirect effects on productivity (Allen, 2001).

Importance of Employee Benefits

Employee benefits contribute significantly to job satisfaction, which is a key determinant of productivity. Comprehensive benefits signal to employees that their well-being is valued, fostering loyalty and reducing turnover rates. When employees feel secure and supported through benefits, they are more likely to focus on their tasks and achieve higher performance levels.

For instance, healthcare benefits reduce absenteeism by ensuring employees have access to necessary medical services, enabling them to maintain good health. Similarly, retirement plans provide financial security, motivating employees to stay with the organization longer and contribute effectively.

Types of Employee Benefits and Their Impacts

1. **Healthcare Benefits:** Healthcare benefits, such as insurance coverage and wellness programs, directly affect employees' physical and mental well-being. Employees with access to such benefits are less likely to experience stress and absenteeism, leading to consistent productivity.
2. **Retirement Savings Plans:** Retirement benefits, including pensions and 401(k) plans, provide employees with a sense of financial security. Knowing their future is secure enables employees to concentrate on their current responsibilities without financial distractions.
3. **Paid Leave:** Paid leave, encompassing vacation days, sick leave, and parental leave, allows employees to rest and recover without worrying about lost income. This practice enhances work-life balance, leading to increased focus and energy upon returning to work.
4. **Performance Incentives:** Bonuses, stock options, and profit-sharing plans encourage employees to align their goals with organizational objectives. These incentives drive motivation, pushing employees to exceed expectations and achieve higher productivity.
5. **Flexible Work Arrangements:** Flexible schedules and remote work options cater to employees' diverse needs, reducing burnout and improving morale. Employees who can manage their work-life balance effectively are more likely to perform optimally.

Discussion

The results underscore the vital role of employee benefits in enhancing workforce productivity. Organizations that prioritize employee well-being through thoughtful benefit packages foster a motivated and loyal workforce. The positive impacts of benefits extend beyond individual employees, contributing to overall organizational success.

However, the study also highlighted challenges, such as the need for cost-effective benefit programs that align with organizational budgets. Employers must strike a balance between offering attractive benefits and managing costs effectively.

Recommendations

1. **Customize Benefits:** Tailor benefit programs to meet the diverse needs of employees, ensuring inclusivity and relevance.
2. **Communicate Value:** Clearly communicate the availability and advantages of benefits to employees, fostering awareness and appreciation.
3. **Monitor Effectiveness:** Regularly evaluate the impact of benefits on productivity and adjust programs based on feedback and performance metrics.
4. **Invest in Wellness:** Incorporate wellness programs and mental health support as essential components of benefit packages.
5. **Leverage Technology:** Utilize HR technology to streamline benefit administration and improve accessibility for employees.

Conclusion

Employee benefits are a powerful tool for enhancing workforce productivity. By addressing employees' physical, financial, and emotional needs, organizations can create a motivated and high-performing workforce. This study highlights the importance of strategically designed benefit programs in achieving organizational success. Future research should explore the long-term impacts of evolving benefits, such as mental health initiatives and remote work policies, on employee productivity.

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360-DEGREE FEEDBACK AS A METHOD FOR ENHANCING EMPLOYEE PERFORMANCE

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ABSTRACT

Performance management and HRD significantly gain from the use of 360-degree feedback, often referred to as multisource feedback. This process involves obtaining feedback regarding an employee's performance from a diverse group of individuals, which includes colleagues, supervisors, subordinates, and the employee themselves. The primary objective of 360-degree feedback is to enhance both individual and organizational performance by providing a more comprehensive and rounded insight into an employee's strengths and areas for development. A research study titled "360-Degree Feedback as a Tool for Improving Employee Performance" is both relevant and focused. This allows for an exploration of the effectiveness and implications of incorporating 360-degree feedback within organizational settings aimed at enhancing employee performance. The primary aim of the research is to investigate barriers and challenges in the execution of 360-degree feedback and to analyse 360-degree feedback as a mechanism for boosting employee performance through research questions.

Keywords: *360-Degree, reaction, member of staff, presentation, Organization*

Introduction

360-degree feedback, also known as multisource feedback, is a frequently utilized tool in the fields of performance management and human resource development. This process involves collecting feedback about an employee's performance from multiple sources, such as peers, subordinates, supervisors, and self-assessment. The primary objective of adopting 360-degree feedback is to enhance both individual and organizational performance by offering a more thorough and balanced evaluation of an employee's strengths and development opportunities.

Long-Term Consequences of 360-Degree Feedback on Employee Performance

The possible effect of 360-degree feedback on employee performance over a long duration can be affected by several factors, including how the organization executes it, the quality of the feedback given, and how well the feedback is incorporated into performance management and development practices.

The subsequent are possible long-term effects of implementing 360-degree feedback systems on employee performance:

Over a prolonged period, the use of 360-degree feedback can aid in the development of unique talents and skills. Employees who receive constructive feedback from multiple sources can leverage this insight to identify particular areas needing enhancement and subsequently progress in those areas over time.

1. As employees continue to receive feedback and engage in self-improvement efforts, it is likely that their behaviours and work habits will change. Individuals have the capacity to boost their self-awareness and adjust their actions to align with the organization's expectations and meet personal growth targets.
2. 360-degree feedback can improve leadership abilities and behaviours among those in leadership roles. Over time, this occurrence can lead to greater effectiveness in leadership and management practices within the organization.
3. Employees who feel that their feedback is valued and properly addressed are more likely to demonstrate higher levels of engagement with their work and the organization. This situation can lead to increased job satisfaction and improved overall performance.
4. The evaluation method known as 360-degree feedback often emphasizes the assessment of communication and interpersonal abilities. Throughout their careers, employees can enhance their communication skills, resulting in positive outcomes in teamwork and collaboration within the workplace.
5. The implementation of 360-degree assessments allows individuals to identify long-term growth goals and professional ambitions. This can promote their professional development and career trajectory.
6. During their employment, individuals may gradually cultivate a greater ability for introspection and self-awareness, thereby supporting their personal and professional development. Individuals have the potential to achieve a deeper understanding of their personal strengths and weaknesses. The engagement of a considerable number of employees in 360-degree feedback processes and their dedication to improving their performance can positively influence the overall advancement of organizational performance. This is particularly important when the feedback relates to the culture and values of a company.
7. Organizations that skill fully leverages 360-degree feedback as a means for career advancement and professional development may likely experience a beneficial effect on employee retention rates. Workers are more likely to stay with a company if they perceive that the organization is invested in their professional growth.
8. Over time, a culture within the organization may develop that emphasizes continuous improvement and feedback, fostering an environment where individuals are encouraged to participate in learning and development, ultimately leading to on-going enhancements in performance.

Review Literature

The use of 360-degree feedback is widely recognized for its ability to enhance self-awareness among employees. Studies have shown that receiving feedback from various sources can greatly aid individuals' understanding of their personal strengths and weaknesses, thereby playing an essential role in promoting self-improvement. Current research indicates that the application of 360-degree feedback provides a more thorough and fair evaluation of an individual's job performance. Employing this method helps to diminish the inherent bias and subjectivity that is often seen in traditional top-down assessments. Numerous studies have confirmed that the effective implementation of 360-degree feedback can lead to positive changes in both employee behaviour and performance. Individuals who perceive feedback as constructive are more likely to take steps regarding their areas of development. The use of 360-degree feedback is a common practice in leadership development. State that this method is useful in pinpointing leadership skills and areas needing improvement, thus assisting in the preparation of future leaders. notes that evidence suggests the use of 360-degree feedback within organizations can result in improvements in the overall performance of the company. This is because individual development significantly contributes to the collective progress of the organization. The academic literature also acknowledges potential challenges associated with 360-degree feedback, such as issues related to maintaining anonymity, biases from ratters, and the risk of feedback being used punitively. The effectiveness of 360-degree feedback depends on the specific context in which it is applied. Research emphasizes the importance of customizing the feedback process to align with the culture, goals, and specific competencies prioritized by the organization.

Research Methodology

The research relies on a primary survey where all the information was gathered using a structured questionnaire, which included four research questions in addition to demographics. Overall, 70 complete responses have been gathered for analysis, and for data collection, two private companies were identified that had a minimum employee strength of three hundred. Percentage analysis was utilized for the results. The secondary data has been sourced from various online platforms.

Objectives of the study

1. To investigate obstacles and difficulties in executing 360-degree feedback
2. To analyse 360-degree feedback as a method for enhancing employee performance through research inquiries

Findings of the study

1. The research showed that the effectiveness of 360-degree feedback initiatives varied notably between sectors. Implementing this feedback system might be more challenging in certain sectors compared to others. The culture of the organization and the nature of the tasks within each sector might contribute to this difference.
2. The study identified key factors that guarantee the success of 360-degree feedback programs in organizations. Significant support from senior management, clear communication of the program's objectives, proper training for participants, and a willingness to receive feedback all fall under this category.
3. Improvements in leadership and management have been demonstrated to take place in companies that utilize 360-degree feedback programs. Leaders who frequently receive constructive feedback from a diverse array of sources may be more equipped to address their own weaknesses, enhance their own strengths, and modify their own leadership approaches to achieve the best outcomes.
4. The findings showed that when 360-degree feedback is effectively organized and executed, it can provide valuable insights into an individual's actions and behaviours. Nonetheless, potential issues,

such as biases or concerns regarding the quality of feedback might be uncovered, and organizations must tackle these in order to maintain the integrity of the process.

5. The study emphasized the necessity for on-going evaluation and adjustment of 360-degree feedback initiatives. Companies stand a greater chance of sustaining the success of their programs when they routinely assess them and make modifications based on feedback and best practices.
6. The research recognized common challenges and risks associated with 360-degree feedback, such as employee hesitation, concerns regarding privacy, and difficulties in transforming comments into improvements. If companies are cognizant of the issues they encounter, they will be in a stronger position to address them.
7. The findings indicated that 360-degree feedback is more effective when organizations customize the process to their specific environments rather than adopting a one-size-fits-all approach. If the program is tailored to align with the organization's culture and requirements, it may yield greater success.
8. The influence of employees' perspectives and receptiveness to 360-degree feedback could be evidenced through research. The effectiveness of this approach will hinge on the attitudes and beliefs of the employees involved.
9. The research highlighted that it is essential to regard 360-degree feedback not only as an evaluation instrument but also as a tool for personal development. Organizations that prioritize growth may experience improved outcomes.
10. The advantages of 360-degree feedback on leadership and management practices accumulate over time, according to the research, and this pattern will continue as long as leaders actively integrate feedback into their own development.
11. These results shed light on the nuances and best practices for amplifying the impact of 360-degree feedback programs in diverse organizational settings, offering valuable insights into their effectiveness and long-term viability.

Conclusion

It is essential to recognize that the lasting effects of 360-degree feedback depend on the quality of feedback delivered, the commitment of the organization to promoting development, and the willingness of employees to utilize the input in a beneficial way. Additionally, the effects of the phenomenon may differ among various individuals. Some personnel may experience significant improvements, while others may notice more moderate changes in their performance. To successfully address these challenges, it is essential to have a thorough and strategic approach that includes multiple components such as effective communication, extensive training, and on-going support for everyone involved in the 360-degree feedback process. Modifying the process to fit the specific needs and cultural context of the organization is also crucial for achieving success. The study conducted on the use of 360-degree feedback as a tool for enhancing employee performance emphasizes its fundamental benefits in promoting self-awareness, offering fair assessments, and enabling constructive changes in behaviour. However, it recognizes the inherent challenges and the necessity of customization to ensure effectiveness across varied organizational settings.

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CHANCE AND CHALLENGES IN THE AREA OF E-HEALTH DUE TO DIGITAL TRANSFORMATION

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ABSTRACT

A significant change toward more integrated, effective, and patient-centred treatment is being brought about by the digital transformation of the healthcare industry. This revolution provides a potential future for improving patient care and safety by integrating cutting-edge technologies like wearable technology, telemedicine services, electronic health records (EHRs), and artificial intelligence into the core of healthcare delivery. The key to this change is its capacity to give medical staff instant access to thorough patient data, which facilitates better decision-making and individualized treatment plans. Even in the most remote locations, prompt medical advice and interventions are available thanks to telehealth, which broadens the scope of healthcare. Patients are empowered to actively participate in their health management through wearable technology and remote monitoring technologies, encouraging a proactive attitude to health and health. Furthermore, algorithms for machine learning and artificial intelligence have the capacity to anticipate patient risks and outcomes with previously unheard-of accuracy, opening the door for preventative healthcare practices that can stop negative events before they happen. To guarantee that everyone can benefit from the digital transformation, it is crucial that we address issues with data privacy, cyber security, and the digital gap as we traverse this revolution. Healthcare is entering a new era that is more responsive, efficient, and human-centred by embracing the digital era, which promises to improve patient care quality while also protecting patient safety.

1. Introduction

1.1 Context: The Inception of Digital Healthcare Transformation

From the early adoption of electronic health records (EHRs) to the current integration of cutting-edge technologies like artificial intelligence (AI), telehealth, and wearable technology, the digital transformation of healthcare has been a significant and progressive journey. This change has been fueled by an unrelenting effort to get past the conventional barriers and inefficiencies in healthcare, which range from disjointed patient data to problems with accessibility in remote locations. The first big step was the advent of digital health records, which completely changed data accessibility and management. This digital foundation has grown over time to include increasingly advanced technology, with each layer building on the one before it to produce a healthcare ecosystem that is more patient-centered, connected, and efficient.

1.2 Significance: The Vital Function of Digital Revolution

Digital transformation has grown to be not only significant but also necessary in the present healthcare environment. The COVID-19 pandemic and other global health emergencies have shown how important it is for healthcare systems to be flexible, responsive, and easily accessible. In order to meet these demands, digital tools and platforms have become essential resources, providing solutions that increase patient participation, expand the reach of healthcare services, and improve the standard of treatment. Furthermore, the capacity to gather, evaluate, and act upon health data in real-time has become essential for well-informed decision-making and individualized care strategies in a world where data is king.

1.3 Objectives: Define the research route

The objectives of this study are multifaceted and aim to comprehensively evaluate the impact of digital transformation on patient care and safety. First, it aims to evaluate how digital technologies are changing the patient-provider relationship dynamics, expanding access to care and improving patient outcomes. Furthermore, the study aims to analyze the role of digital transformation in improving patient safety, reducing medical errors, predicting adverse events, and facilitating more accurate diagnoses. Another key objective is to identify challenges and barriers inherent in the digital transformation journey, such as issues related to data privacy, cybersecurity, and equity of access to healthcare.

1.4 Methodology: Navigating the research landscape

The methodology used in this study employs a mixed-methods approach combining quantitative data analysis.

With quality ideas. The research of peer-reviewed papers, industry reports, and case studies draws on a wide range of perspectives and experiences. This complete review

Interviews are complemented by medical professionals, patients, and technical experts and provide their first understanding.

The reality of digital transformation under the health condition. In addition, this study includes digital health analysis.

We evaluate the initiative of various regions, patient care and safety. This methodological framework was developed to provide a comprehensive understanding of the state of digital transformation in healthcare and highlight how its outcomes are achieved; as well as the obstacles that must be overcome. By exploring digital transformation in healthcare, this study aims to illuminate the path forward, which is both challenging and promising. The goal is to combine the benefits of digital innovation with the challenges it creates to pave the way for a future of healthcare that is not only more technologically advanced, but also more humane, equitable and safe for patients around the world.

2. Analysis

2.1 Current State of Digital Transformation in Healthcare

Digital transformation in healthcare reflects the ongoing evolution of a sector characterized by the consolidation of advanced technologies such as electronic health records (EHR), telemedicine, artificial intelligence (AI) and the Internet of Things (IoT). This transformation is changing the way healthcare is delivered, making it more accessible, personalized and efficient. Here we explore the current state of these key technologies and explore their contributions and the dynamics they bring to the healthcare sector.

2.1.1 Electronic Health Records (EHR)

EHRs are the foundation of digital transformation in healthcare, facilitating the transition from paper-based records to digital systems. This transition has greatly improved data accessibility and integrity, giving healthcare providers access to comprehensive patient history with just a few clicks. DSE support for clinical solutions based on information, increase patient safety

Reduce the optimization of drug errors and management processes. However, problems such as compatibility

Various DSE systems and concerns related to confidentiality and data security remain important areas for constant development.

2.1.2 Telemedicine

Telemedicine has become an essential part of healthcare, which has become particularly evident in the COVID-19 pandemic, which has pushed for remote healthcare solutions. This technology has expanded access to healthcare by allowing patients to consult with healthcare providers from the comfort of their own homes, reducing the need for physical hospital visits and reducing the risk of disease transmission. Telemedicine was particularly useful in rural regions and insufficient served, where there is often access to medical care limit. Despite its advantages, telemedicine is faced with problems in terms of remuneration policy, adoption of technologies among the elderly groups of the population and the maintenance of the quality of care and the relationship of the patient and the conductor in virtual conditions.

2.1.3 Artificial Intelligence (AI)

AI in healthcare is driving unprecedented advances in diagnosis, patient care, and operational efficiency. AI uses machine learning and deep learning algorithms to analyze large data sets and discover patterns and insights that human analysis cannot achieve at the same scale. AI applications range from predictive analytics that forecast disease outbreaks to algorithms that help diagnose conditions using imaging studies with increased accuracy. AI also powers chatbots and virtual healthcare assistants, improving patient engagement and support. Ethical considerations including algorithm bias However, the transparency of the decision -the production process of artificial intelligence presents a serious problem with fair and valuable trust. AI development in healthcare.

2.1.4 things Internet (IoT)

The role of IoT in healthcare is the integration of physical devices and Internet connections and replacements. data. There are only a few cases of portable devices that control the signs of life, intellectual implants, and patient monitoring systems. How to improve patient care. These technologies provide patients with continuous patient monitoring and provide real -time in real time.

Data that can be used to quickly adjust the processing plan and predict potential health problems before achieving potential health problems. The growth of IoT devices causes concerns about data security and causes the possibility of excessive information between healthcare. You need a provider, robust data management and analysis solutions.

2.1.5 issues and consideration

The current status of digital change in healthcare has a great advantage, but also provides complicated sets. assignment. Confidentiality and data security are essential concerns, as the digitization of health information increases the risk of violations and unauthorized access. Interoperability problems between different technologies can hinder the transparent exchange of Information, impacting the coordination and efficiency of care. In addition, the digital divide remains a significant issue, access to digital technologies impacting equitable delivery of healthcare.

2.2 Benefits of digital transformation

Digital transformation in healthcare is not just a technology overhaul. It represents a paradigm shift, delivering improved patient care, enhanced safety, and increased efficiency across the healthcare ecosystem. This transformation, driven by the adoption of digital technologies such as Electronic Health Records (EHR), telemedicine, Artificial Intelligence (AI) and the Internet of Things (IoT), has delivered significant benefits and fundamentally changed the way healthcare is delivered and perceived.

2.2.1 Improved patient care

Digital transformation has significantly improved patient care, making it more personalized, accessible and comprehensive. Through technologies such as telemedicine, patients can receive treatment from anywhere in the world, eliminating geographical barriers and making healthcare more comprehensive. EHRs provide a comprehensive view of a patient's medical history, enabling informed care and coordination across different healthcare providers. AI and machine learning algorithms analyze vast data sets to uncover insights that inform diagnosis and treatment planning, enabling precision medicine approaches that tailor care to an individual's genetic makeup, lifestyle, and environment. In addition, IoT devices and wearable technology are continuously provided. Survival of patient health, timely intervention and treatment plans, and enhanced Care quality.

2.2.2 Improvement of safety

Digital technology plays a decisive role in improving patient safety. EHRs reduce the likelihood of errors by ensuring accurate and up-to-date patient information is readily available to healthcare providers. AI-powered tools assist in diagnosing diseases with greater accuracy and in identifying potential adverse events before they occur, reducing the risk of complications. Moreover, digital platforms facilitate the safe delivery of telehealth services, minimizing the need for in-person visits and reducing exposure to potential hospital-acquired infections. The continuous monitoring capabilities of IoT devices also contribute to patient safety by enabling early detection of deteriorating conditions, allowing for prompt intervention.

2.2.3 Improved Efficiency

Digital transformation has significantly improved the efficiency of medical operations. Automation Administrative tasks using AI and digital systems reduce the burden on medical staff, allowing them to focus on their core duties.

They can spend more time caring for patients. EHRs streamline the documentation process and improve the availability of patient information, improving communication and coordination between healthcare providers. In addition, AI algorithms optimize resource allocation, from patient scheduling to bed occupancy management, ensuring efficient use of healthcare resources. Digital platforms also support the scalable delivery of telehealth services, reaching more patients without requiring significant infrastructure expansion.

2.3 Issues and Risks

Healthcare digital transformation brings a series of issues and risks while providing great profits. We need caution and management. What is important among these is concerns related to data privacy and cyber security threats. The digital disparity offers unique obstacles to the success of digital technology and fair integration.

2.3.1 Data Privacy

Healthcare systems are increasingly dependent on digital platforms to preserve and manage patient information. Secondary data is the most important concern. The transition from paper to digital records and the aggregation of data from multiple sources such as electronic medical records, telehealth visits, and wearable devices creates potential vulnerabilities where patient information can be leaked or misused. Ensuring data privacy requires strong encryption, strict acces controls, and compliance with regulations such as HIPAA in the United States and GDPR in Europe that set standards for the protection of personal health information. Despite these measures, the risk of breaches remains, posing a major challenge to maintaining patient trust and the integrity of the healthcare system.

2.3.2 Cybersecurity Threats

Cybersecurity threats in the healthcare sector are growing with digital transformation, with cybercriminals targeting vulnerable networks and systems to steal data or disrupt services. Ransomware attacks on hospitals and healthcare providers not only compromise patient privacy, but can also seriously disrupt healthcare delivery, putting patients' lives at risk. The interconnectivity of digital health technologies further complicates cybersecurity efforts, as a breach in one system could potentially expose others. Combating these threats requires a comprehensive cybersecurity strategy that includes regular system updates.

Train employees on phishing and other cyberthreats, and deploy advanced security technologies such as AI-based threat detection systems.

2.3.3 Digital Divide

The digital divide refers to the disparity between those who have access to digital technology and those who do not. This is influenced by factors such as socio-economic status, geographic location, and age. In the health sector, this disparity can lead to issues such as:

Disparities in access to care and health outcomes.

While telehealth and digital health tools promise to make treatments more accessible, they require reliable internet access and digital literacy to use effectively. For those without these, the benefits of digital transformation remain out of reach despite lack of resources, exacerbating existing health disparities. Solving the digital divide requires concerted efforts to improve infrastructure, increase digital literacy and ensure digital health solutions are designed to be inclusive and accessible to all.

3. General Presentation Improving healthcare delivery and overcoming traditional healthcare challenges

3.1 Benchmarking

Comparison with sectors or regions where digital transformation is lagging behind. A comparative analysis between sectors or regions leading digital transformation in healthcare and those lagging behind provides valuable insights into the benefits of digitalization and the barriers to its adoption. This analysis highlights disparities in healthcare delivery and patient outcomes, underscoring the need for a more equitable approach to digital transformation across the healthcare landscape.

3.2.1 Digital transformation leader

Healthy areas and sector that lead to digital conversion are often divided by specific characteristics. Reliable computer infrastructure, According to the support of regulations and the culture of innovation. For example, countries such a Estonia and Singapore An important step using technology such as DSE, AI, and remote medicine to improve health benefits. These leaders benefit from streamlined clinical workflows, improved patient safety, and more personalized care. Blockchain technology in Estonia Singapore's telehealth initiative expands access to healthcare services while ensuring the security of patient medical records.

Demonstrating the transformative power of digital technology.

3.2.2 Lagging Digital Transformation

Conversely, regions and sectors that are lagging behind in digital transformation often face challenges such as inadequate IT infrastructure; Limited funding and regulatory barriers. Rural healthcare in many countries suffers from a digital divide; Connectivity and technology resources to implement advanced digital health solutions. These inequalities lead to fragmented patient care, inefficiencies in healthcare delivery, and lack of access to specialized health services. Lack of digital tools such as AI-based diagnostics and wearable technologies for remote monitoring further exacerbate the gap in health outcomes between digitally advanced and lagging regions.

3.2.3 Comparative impact on healthcare services

The impact of digital transformation on healthcare services in developed sectors has been significant. Digital leaders have seen increased efficiency as AI and automation have reduced administrative burdens, allowing healthcare workers to focus more on patient care. Advanced data analytics and AI algorithms support clinical decision-making, leading to more accurate diagnoses and targeted treatment. In contrast, sectors that have been slower to digitally transform rely on manual processes and have challenges accessing and sharing patient information, which can lead to delayed treatment and increased risk of errors.

3.2.4 Patient outcomes and access to care

Digital transformation has a direct impact on patient outcomes and access to care. In a digitalized healthcare sector, patients benefit from earlier disease detection, continuous health monitoring, and personalized treatment plans, leading to better treatment outcomes. Telemedic and mobile medical applications increase access to patients, especially in distant areas, and cannot.

I personally visit a medical institution. On the other hand, patients in the region or sector are responsible for digital recruitment.

In many cases, health results are reduced to access timely and effective care.

3.2.5 barriers to digital conversion

Comparative analysis emphasizes general disabilities in local digital conversion, especially slow. Financial, regulation issues, lack of digital literacy of medical workers and patients. Tit for them An obstacle requires multifaceted approaches, such as investing in IT Healthcare Infrastructure and support for support.

Education and training programs to improve digital literacy, as well as politicians and regulatory managers.

3.3 Stakeholder perspectives

Perspectives from healthcare professionals, patients and IT professionals. The success of digital transformation in healthcare depends on the perspectives and experiences of different stakeholders.

These include healthcare professionals, patients and IT professionals. Each group brings unique insights into the benefits, challenges, and future directions of digital health initiatives, shaping the landscape of healthcare delivery and patient care.

3.3.1 Healthcare Professionals

Healthcare professionals on the front lines of patient care typically see digital transformation as a powerful tool for improving clinical outcomes and operational efficiency. They value technologies such as EHRs for streamlining documentation and documentation, improving access to patient information and facilitating more coordinated and efficient care. While telemedicine has been hailed for expanding the reach of healthcare services, especially in underserved areas, some have raised concerns about its potential impact on the patient-provider relationship and the nuances of face-to-face consultations.AI and predictive analytics are seen as game-changers in diagnostics and personalized medicine, offering the potential for earlier detection of disease and customized treatment plans. However, healthcare professionals also highlight challenges such as the learning curve associated with new technologies, the need for integration with existing clinical workflows, and concerns about over-reliance on automated systems which might overlook the human aspects of care.

3.3.2 Patients

From the patient perspective, digital health technologies are valued for improving access to care, enhancing the convenience of health services, and empowering individuals in their health management. Telehealth platforms and mobile health apps are particularly appreciated for their role in making healthcare more accessible and for facilitating easier communication with healthcare providers. However, patients also express concerns about data confidentiality and the safety of their personal medical information in digital Formats. The digital difference arises as an important problem, with differences in access to digital technologies affecting Health service. Additionally, some patients believe that digital tools can depersonalize healthcare, highlighting the importance of maintaining a personal touch in patient care.

3.3.3 IT Professionals

Healthcare IT professionals are optimistic about the potential of digital transformation to solve long-standing challenges in healthcare delivery. They emphasize the importance of safe and reliable IT infrastructure as a basis for success. Digital initiative in the field of healthcare. Commitment to compatibility between various digital healthcare systems from their perspective

International standards are important to maximize the advantages of digital technology. Issues such as cybersecurity threats, the difficulty of integrating new technologies into existing systems, and the need for ongoing maintenance and support have been highlighted. IT experts are advocating for a collaborative approach to digital health that involves multidisciplinary teams in the design, implementation and evaluation of digital health solutions to ensure they meet the needs of healthcare providers and patients

4. Conclusion

The digital transformation journey in healthcare is an incredible story of innovation, challenge and change. That's worth it Sector stability and evidence of adaptation, care, patient safety, and Efficiency using technology. This study revealed important ideas beyond digital health scenery. We determine the important roles of various digital technology in the revision of health provision.

4.1 Survey Results Overview

The survey highlights the transformative impact of technologies such as electronic medical records (EMRs), telemedicine, artificial intelligence (AI), and the Internet of Things (IoT) on healthcare. These digital tools have not only simplified administrative processes and improved clinical decision-making, but also made healthcare more accessible and personalized. However, this transformation comes with significant challenges, including concerns about data privacy, cybersecurity threats, a digital divide and the need to integrate into existing healthcare infrastructure. Stakeholder input from healthcare professionals, patients and IT experts highlighted the potential benefits of digital health initiatives as well as the barriers that need to be overcome. Continuing education and training is required to ensure health teams know how to use digital tools effectively and ethically. Suppliers are also encouraged to foster open communication with patients to inform them about the benefits and limitations of digital health services, secure informed consent and address any concerns related to data privacy and security. Politicians play a decisive role in the formation of digital healthcare. This study emphasizes the need for politics Supporting integration into digital technology healthcare, securing reliable cyber security measurement, promotion considering compatibility standards and digital gaps. In addition, policies should support research and development in digital health, encouraging innovation while ensuring that new technologies are safe, effective and accessible to all segments of the population.

4.2 Future directions

Future research should continue to examine the evolving digital health landscape, with a particular focus on emerging technologies and their impact on healthcare delivery and patient outcomes. There is a need for longitudinal studies to assess the long-term effects of digital transformation on healthcare efficiency, quality, and equity. Additionally, research should delve into the development of ethical frameworks for AI and other advanced technologies, ensuring that digital health innovations align with the values and needs of patients and healthcare professionals. Potential areas of innovation include expanding AI applications in predictive analytics, personalized medicine, and automated patient monitoring. Integrating blockchain technology for secure and transparent exchange of health data and exploring virtual and augmented reality for medical education and patient engagement also represent exciting frontiers for digital health.

4.3 Summary

Looking back at the journey of digital transformation in healthcare, it is clear that digital technology has become an essential tool in modern healthcare delivery. This journey, with both successes and challenges, highlights the healthcare sector's capacity for innovation and its commitment to improving patient care. This progress requires a collaborative approach that engages healthcare providers, patients, technologists, and policymakers in a shared vision for a health system that harnesses the full potential of digital technologies. As we look to the future, we see that continued developments in digital health offer opportunities to further revolutionize patient care by making it more personalized, accessible, and efficient. The key to unlocking these opportunities lies in balancing technological advances with ethical considerations, ensuring data security and promoting equity in access to healthcare.

The digital transformation of healthcare is far from complete, but with continued collaboration, innovation and engagement, we promise to bring about a future in which healthcare is not only more technologically advanced, but also more humane, equitable and just meeting the needs of every patient.

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DIFFERENT FACTORS INFLUENCE THE AUTHENTIC BUYING CHOICES OF CONSUMERS IN INDIA. ITEMS MADE FROM ORGANICALLY CULTIVATED COMPONENTS

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ABSTRACT

The organic foods are perceived as more nutritious, healthy, and nature-friendly than conventional food. As a result, consumers are paying more for organic food items and are moving toward them. The purpose of this study is to examine the factors influencing the consumers' actual buying behaviour towards organic foods. However, purchase intention towards organic foods is affected by these four factors along with one additional factor (i.e., availability). The results show that these five factors also influence the actual buying behaviour but attitude and purchase intention mediates the relationship. Further, socio-demographic factors (age, education and income) also found to have an impact on actual buying behaviour. This study provides a better understanding of consumers' attitude, purchase intention and actual buying behaviour towards organic food products. The findings have implications for companies of the organic food industry, retailers and market regulatory agencies. The study also provides guidelines and suggestions for retailers and marketers who are dealing with the organic foods and aim at expanding the organic food market.

1. Introduction

Corporate interest in organic marketing is a result of environmental consciousness, growing consumer interest in organic goods, and customers' willingness to pay for organic characteristics. This has led to significant developments and innovations. The market for organic products is growing at a respectable rate, and consumers are thoughtfully impacted by the increased consciousness.

The rise in popularity of organic products is viewed as a reflection of current marketing trends, with consumers wanting to understand the benefits of organic items before finalizing their purchasing choices. In earlier times when India had a smaller population, agriculture was predominantly organic and closely intertwined with nature. The agricultural system relying on traditional wisdom passed through the ages was insufficient to meet the growing demands of the population. In the era of the "green revolution," farmers enthusiastically embraced technological advancements in agriculture to boost production and meet the rising food demands of a rapidly growing population. This movement yielded significant results by substantially increasing food grain output. Simultaneously, this has resulted in a rise in the usage of chemical fertilizers and pesticides, leading to significant harm to the environment and human health.

An extensive group of consumers worldwide express a profound interest in environmental issues. Those customers who prioritize environmental concerns are attuned to information related not just to the environment, but also to the products, manufacturing processes, and brands that could impact it. With growing awareness of the gravity of environmental decline, consumers are becoming more ecologically mindful and displaying a preference for organic products and services. They tend to support businesses that adhere to environmentally friendly practices due to the increasingly worrisome impact of present environmental conditions on consumer health and well-being.

The current research aims to investigate the factors that impact consumers' real purchasing decisions. Understanding these factors is crucial for creating a successful marketing plan to boost the growth of the local organic market in India.

1.1 What is organic food?

Organic foods are typically defined by the agricultural techniques and principles employed, as well as the underlying organic philosophy. Certain definitions emphasize aspects like 'biological' or 'natural production methods' and 'green' or 'environmentally friendly practices', while others focus on the restricted use of artificial inputs. In organic production, whether it be related to chemicals or its overall philosophy, organic foods are enhanced to preserve the integrity of food by avoiding artificial ingredients, preservatives, and irradiation. In simple terms, food that is produced or processed without pesticides, mineral fertilizers, or any other chemicals can be labelled as organic food. When it comes to food sourced from animals such as meat, eggs, and dairy, it is important that the animals have not been given antibiotics or growth hormones. Therefore, organic food is considered to be reliably safe, as it is produced through eco-friendly and sustainable practices that exclude artificial substances like pesticides, chemical fertilizers, GMOs, as well as avoid processes involving irradiation, industrial solvents, and chemical food additives.

1.2 Organic food market in India

Despite substantial investments in groceries, the food retail sector in India remains disorganized. In the past, Indian consumers typically allocated 90% of their food budget to home-cooked meals, but this percentage has now decreased to 80%. The shift in attitude and lifestyle among Indian consumers is primarily responsible for the increasing popularity of dining out. Furthermore, these consumers are willing to pay a higher price for food products that offer the combined advantages of both nutrition and wellness. Organic food market in India is still emerging, with a majority of the produce being exported to developed countries. Locally, the demand for organic products is primarily concentrated in major cities. the organic agribusiness market has surpassed ₹2,500 cores, while global trade stands at USD $69 billion (approximately ₹360,000 crores). Currently, fruits and vegetables are the most sought-after organic food categories in India. Boasts the highest number of organic producers globally, with the vast majority (>80%) falling under the category of small and marginal producers. Smallholder farmers are not included in the organic export supply chains. Therefore, smallholder farmers have no choice but to rely on the domestic market to sell their crops. In India, there are more than 15,000 certified organic farms, and this number has been rapidly increasing each year. Currently, in Bangalore alone, there are over 181 organic retail outlets. These outlets lack organization and exhibit significant variations in the pricing of their products. Although there is potential for growth, a challenge for consumers interested in organic products is the high price associated with them. According to a survey of organic consumers in northern India, 71% of participants mentioned that the high cost was a barrier to purchasing organic products. They indicated that the future of organic agriculture would largely hinge on consumer demand and their willingness to pay a premium for organically produced foods.

Understanding the organic product market from a consumer-centric viewpoint is crucial for improving the management of the organic food market in India. This intricate process is influenced by various factors including infrastructure, quality production, policies, certification, and market environment. It is crucial to delve into consumer decision-making around organically sourced foods, exploring how beliefs, attitudes, and responses to organic products impact consumption patterns and willingness to pay higher prices. Most of the earlier studies were conducted in developed nations with a high level of knowledge and awareness about food. It remains largely unclear how much the consumers in the developing world are aware of and prefer organic food products. Hence, it is imperative to examine the current demand for organic food, especially in developing nations such as India. Studying how consumers feel about and behave towards organic food products can be beneficial for both those interested in organic products and marketers aiming to boost the growth of the organic food market.

2. Theoretical background and research hypotheses

The global research consensus offers a clear understanding of the common motivations behind the purchase of organic food products. Differences may exist in the order of preferences due to specific cultural and demographic factors. However, the primary reasons, ranked by importance, include health, product quality, and concern for the environment and environmental deterioration. Previous studies from years ago have laid the foundation for these findings, which have been consistently validated by subsequent studies as well. It has been discovered that consumers generally hold favourable views towards organic products. One of the main reasons cited for choosing organic products is the belief that they are healthier than conventional options. Consumers in both the western and eastern regions appear to be increasingly aware of the broader advantages of organic foods, perceiving them as a healthy option that also benefits the environment. Several studies have shown that consumers concur that organically grown foods exhibit reduced levels of chemical and microbial contamination compared to conventionally produced foods. The belief that organic foods are free from or contain fewer chemical residues is occasionally challenged due to the potential for contamination during processing and the chance of organic and non-organic products getting mixed in the food supply chain. Organic foods could potentially pose a higher risk of microbial contamination compared to conventional foods due to the increased utilization of manure in agriculture, which can elevate the risk of pathogens like Salmonella species. However, these risks can be effectively managed through proper agricultural practices.

2.1 Health Consciousness (HC)

Previous research indicates that consumers often buy organic foods primarily for their health benefits. It has been discovered that the state of one's health greatly impacts consumer perceptions. It was discovered that health factors positively influence consumers' attitudes toward organic foods in Malaysia. Similar results have been demonstrated. It has been determined that health-related aspects play a crucial role in influencing consumers' inclination to buy organic foods. It was also noted that health awareness plays a critical role in influencing consumers. Buying patterns revealed that consumer interest in purchasing was low in areas with limited health awareness.

2.2 Consumers' knowledge of organic foods

The Theory of Reasoned Actions provided essential support for the advancement of consumer behaviour studies. This theory delves into the motivating factors that impact the actions of an individual, shaped by their personal will, in order to establish a foundation for understanding consumer behaviour. It has been noted that the TRA offers a straightforward method for predicting attitudes and behaviours. The most reliable theory for forecasting consumer behaviour regarding organic food is the Theory of Reasoned Action (TRA). Consumers desire to be aware of their purchases in order to meet their needs and preferences. Understanding of food plays a crucial role in shaping consumer behaviour, as it involves cognitive learning. Consumer purchase intention may vary depending on consumers' level of knowledge. The acquisition of eco-friendly products is intricately linked to consumers' understanding of the environment, ecology, and organic food. Having a good understanding of organically grown foods is crucial for consumers when making purchasing choices. Recent studies examining consumers' awareness and knowledge of organic food reveal that there is minimal awareness among consumers globally. The level of consciousness regarding this matter is particularly notable in Europe, given the relatively advanced state of the organic market in comparison to the rest of the world. Literature indicates that consumers exhibit varying levels of understanding when it comes to the concept of 'organic'. Free from pesticides and chemical fertilizers, these products are pure, natural, and healthy. A comprehensive way to describe the perceived or subjective norm is as "the social pressure felt to either engage in or avoid a particular behaviour." Subjective norm refers to an individual's perception of what significant others believe they should do. In our research, we delved deeper into the correlation between subjective norms and attitudes towards behaviour, while also exploring the causal connection from norms to attitudes. The author discovered the link between subjective norms and attitudes toward behaviour to be quite significant. How consumers view the price and availability of a product. Certified organic foods usually come with a higher price tag compared to conventional products due to various factors. Therefore, the pricing factor plays a crucial role in organic food marketing. An increase in price influences consumers' purchasing behaviour. Their research shows a consistent pattern: when prices are elevated, it tends to deter consumers from buying organic foods. Certain consumer groups exhibit a more favourable perception of organic food and are open to paying a higher price for it. Consumers with low price sensitivity were discovered to have a positive impact on their inclination towards making green purchases. The mere availability of organic foods can sometimes act as a barrier to their consumption. Access to markets and market information poses a significant challenge for organic product demand in numerous developing nations. Conversely, the increased ease of access to organic food items had a beneficial impact on purchasing habits. Consumers tend to prefer products that are readily available rather than spending a lot of time searching for green products. Explored the significance of having access to organic produce in order to boost consumption.

2.3 Purchase intention and actual buying behavior

Per the theory of planned behavior (TPB), the execution of behavior results from a combination of intentions and perceived behavioral control. Evidence has been gathered regarding the link between intentions and actions across various types of behaviors. It has been noted that when behaviors do not present significant issues with control, they can be accurately predicted based on intentions. Intentions or willingness play a crucial role in predicting real purchasing behavior. Intending to buy organic food products is essential to lead to their actual purchase. Furthermore, perspectives on organic food Products demonstrate a beneficial and statistically notable impact on the acquisition of organic food. Research on organic food purchasing behavior has revealed a gap between consumers' positive attitudes towards organic products and their actual buying habits. While a majority of consumers (67%) express a favorable attitude towards organic food purchases, only a small percentage (4%) follow through with buying these products. In the same vein, it was observed that 30% consumers have shown concern for the environment, yet this sentiment is seldom reflected in their actual purchases of green products. It is evident that there is a disparity between consumers' thoughts and their real behaviors. The difference between consumers' positive attitudes towards organic products and their actual purchasing behavior is known as the 'attitude-behavior gap'. It suggests that consumers' favorable view of organic products does not always lead to actual purchases. It is crucial to explore the reasons behind the limited impact that positive attitudes have on the intention to purchase and actual buying of organic food items. Potential factors like pricing, availability, and social influences could contribute to the misalignment between consumer attitudes, purchase intentions, and actual purchasing behavior. Hence, our aim is to examine the impact of various factors (such as health awareness, knowledge, subjective norm, price, and availability) on both purchase intention and real buying behavior.

2.4 Socio-demographic factors

Different theories suggest that behaviour is influenced not only by attitudes but also by various other factors that determine both behaviour and the intensity of the attitude-behaviour connection. It has been observed that socio-demographic attributes play a significant role in determining the actual purchasing behavior.Earlier research has shown that gender plays a role in shaping consumers' behaviour when it comes to buying organic food items. It was discovered that a greater percentage of women than men hold favourable views towards organic foods. It has been observed that adolescent girls display a greater inclination towards organic products compared to boys. Evidence indicates that younger consumers are inclined to pay premiums that exceed 6% in order to guarantee that food products are free of pesticides. Likewise, it is worth mentioning that younger households have a preference for organic foods, prioritizing them in their shopping choices. In addition to women aged 30-45, those who are mothers with a substantial disposable income tend to gravitate towards organic foods. A study revealed that older participants were less inclined to purchase organic products compared to younger individuals. It is intriguing to consider that older individuals might be inclined to explore and transition to organic food items for health-related purposes, despite the contradictory findings. Typically, there is a notable correlation between household income and the purchase of organic food. Families with higher incomes tend to buy organic products more regularly. Affluent households tend to be more inclined to spend, including a higher expenditure on organic food items. It was discovered that individuals earning under $50,000 tend to show a higher inclination towards buying organic foods. Given these inconsistent findings, it is crucial to investigate how demographic factors impact consumers' purchasing behaviour in reality. Within the realm of consumer demographic advantages, education holds significant importance as a factor that influences the decision to purchase organic foods. Individuals with a higher level of education showed a greater inclination towards buying organic foods compared to those with lower educational attainment. Most studies have shown a positive link between education and organic food consumption. However, a small number of studies have indicated a negative relationship. Interestingly, some research has concluded that the level of education does not have a statistically significant impact on buying patterns of organic food.

3. Research Methodologies

3.1 Data source and measurement scale

In order to examine the suggested hypotheses, empirical data was gathered using a detailed questionnaire. The questions in the survey were drawn from existing studies and were rated on a 5-point scale. The respondents' sociodemographic profiles were recorded based on parameters including gender, age, education level, occupation, and household income.

3.2 Sample and data collection procedure

In four major cities of India - Allahabad, Bhopal, New Delhi, and Mumbai - a face-to-face survey was carried out in front of organic food outlets and departmental stores with organic food sections. A random sampling method was employed by engaging with consumers as they exited stores in markets, shopping malls, and food festivals. Participants were kindly inquired about their interest in taking part in the research. Prior to surveying the respondents, some initial questions were posed to ascertain their familiarity with organic food products.

3.3 Data analysis

The responses were meticulously reviewed and processed in order to conduct statistical analysis. The data was inputted into Statistical Package for Social Sciences (SPSS) .In previous findings, participants identified the presence of healthy components as the primary factor influencing their decision to buy organic food, with 52% indicating this.

Conclusions

The primary aim of this study is to explore the factors influencing consumers' real purchasing patterns of organic food products. Initially, the research delves into the determinants that shape consumers' perception of organic foods. Furthermore, the research enhances comprehension regarding the impact of influencing factors and attitudes on consumers' inclination to purchase organic food products. Previous research has indicated that consumers' willingness to buy organic foods does not always translate into actual purchases. Hence, an analysis is conducted on how socio-demographic factors influence real purchasing behavior.The findings have unveiled four key factors (health consciousness, awareness of organic foods, subjective norms, and perceived price) that shape consumers' attitudes towards organic food products. Purchase intention towards organic foods is influenced by four main factors, as well as an additional factor, which is availability. Consumers consider the location of a store important when making purchasing decisions. The hierarchical regression analysis results indicate the influencing factors, namely. The awareness of health, understanding of organic products, personal beliefs, perceived cost, and product availability all have a positive impact on purchasing decisions. However, the connection is moderated by one's attitude and intention to buy. As previously noted, positive attitude does not necessarily guarantee purchase intentions. The purchase of organic food products is influenced by socio-demographic factors such as gender, age, income, and education. Income is also a potential factor that affects individuals' behaviour towards organic foods. The study findings indicate that individuals with higher incomes demonstrate a greater inclination towards purchasing organic foods. Findings further indicate that consumers with higher levels of education show a stronger inclination towards purchasing organic foods compared to those with lower levels of education.

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A COMPREHENSIVE ANALYSIS OF THE RESEARCH ON CONSUMERS' ATTITUDES AND BEHAVIORS AROUND ORGANIC FOOD PRODUCTS

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ABSTRACT

Consumers' habits are shifting globally, and they now choose to eat food that is devoid of artificial chemicals, fertilisers, and pesticides; in other words, they want to eat organic food, which is both environmentally and health-friendly.An analysis of customer perceptions of organic food could help the developing Indian and global organic food industries. Due to farmers' decreased output with organic produce, customers do not find organic products to be as popular, which drives up the price of organic food on the market. While there is a need to educate the public about the benefits of organic food products and encourage their use, encouraging farmers to choose organic farming is of utmost importance.Additionally, it has given guidance for creating the current study.Numerous insights for the study have come from the review of related literature in the field of the organic food market and consumer perception.The need for organic food items in India and around the world has been recognised by several academics. Furthermore, it has been determined which several elements affect how consumers view organic food items. Preference, knowledge, and contentment with organic food items have also been the subject of other research. After looking over a number of studies and determining the gap, the researcher decided it was imperative to carry out the current analysis.

Keywords: *organic food eco friendly market, sustain organic food products, consumer point of view, India*

Introduction

Farmers have practiced organic agriculture for centuries; it involves no use of synthetic fertilisers, pesticides, growth regulators, or additions for livestock feed.The fundamental principles that set organic agriculture apart from conventional farming methods include its use of natural inputs, adherence to sustainability principles, and environmentally friendly farming practices like crop rotation, intercropping, mulching, and soil structure and fertility enhancement. An integrated production management approach that supports and increases the health of the agro-ecosystem, including biodiversity, biological cycles, and soil biological activity, is what the FAO/WHO Codex Alimentarius Commission (2007) defined as organic agriculture [3].It places a strong emphasis on using natural inputs (such as minerals and plant-derived products) and avoiding artificial pesticides and fertilisers. Organic farming is becoming more and more popular worldwide, with about every country implementing it at this point. The rapidly shifting agricultural landscape from chemical-based to organic and environmentally friendly farming systems is a serious concern on both a national and international scale, according to the United States Department of Agriculture (USDA).The most recent assessment indicates that there are 6,50,000 organic growers and 5.2 million hectares of organic land in India. Globally speaking, India is home to the greatest concentration of organic farmers.

An organic agricultural technique that eschews the use of synthetic pesticides and fertilisers produces food that is classified as organic.Customers who are now aware of the health risks are supporting this shift in the direction of organic farming, which is raising demand for organic food. In order to break into the Indian market for organic products, marketers must concentrate on removing the two main obstacles to buying organic products: availability and pricing (Laheri and Arya, 2015) [5].Globally, customers are becoming more and more interested in organic food products. The knowledge of health and environmental issues among consumers is the reason for this phenomenon. Health, accessibility, and education are three demographic criteria that have a beneficial impact on consumers' attitudes towards purchasing organic food. Food that is organically produced generally receives higher customer satisfaction than food that is not (Paul and Rana 2012) [13]. The Indian market for organic products is still in its infancy, and many consumers are ignorant of the advantages that these products and the environment we live in offer.

Objectives of the study

The actual goals of the current study are as follows, which are based on the literature review:

1. To examine a range of widely-researched topics regarding how consumers see organic food items by reading scholarly research articles.
2. To offers a thorough and up-to-date analysis of the global and Indian organic food markets and food products.

Research Design

To comprehend and meet the demand for organic food items, producers (farmers) and retailers (business owners) must have a thorough awareness of consumers' perceptions and purchasing attitudes.The world's perspective of buying and consuming organic products has long been a source of concern, despite the fast rising demand for organic food products.A thorough review of consumer impressions of organic food items is the main goal and concern of the current study, which has been conducting numerous investigations on organic products over the previous several years.

Methodology and Data source

To conduct a thorough literature assessment, data were collected from a range of research publications that were published in reputable journals and electronic databases pertaining to the global and Indian organic markets. A thorough assessment of the literature was subsequently carried out to look into how customers felt about organic food items. Through the journals, experts from all around the world showcase their excellent work, which ultimately aids in conducting their research in a way that is desired. Furthermore, an effort was made to track down references mentioned in different papers and publications about organic food items.

Literature Review

An overview of the global and Indian scenarios for the organic food market

The National Programme on Organic Production report from 2012 states that the market for organic products is growing impressively quickly, reaching 47% in the EU, 28% in the USA, and 28% in Canada.

Singapore's and Italy's markets are both expanding steadily.There is a tremendous need for many more goods in addition to the amounts of the current commodities, even though a significant portion of this demand is met by these nations' local producers.

Developing nations like India will have possibilities to investigate as a result of this supply and demand imbalance.

Additionally, India's organic food market is still in its infancy. There is now a higher domestic demand for organic food due to rising disposable income and growing health consciousness. According to Manaloor et al. (2016) [8], there is a significant premium on marketing organic products to wealthy, health-conscious local consumers as well as export markets. The last several years have seen an unexpected expansion in the organic food sector. Nevertheless, 43.16 million hectares, or roughly 1%, of all agricultural land worldwide is still certified organic. This amounts to nearly four times the 11 million hectares of organic agricultural land that were under organic cultivation in 1999 (Lernoud and Willer 2016) [6]. The organic food industry continues to face challenges even if the increase in rich countries' consumption is driving up domestic demand in developing nations. Numerous reasons have been put forth as to why organic food production could not flourish domestically in poor nations. Several factors included high cost, accessibility, brand confidence, knowledge about organic foods, etc. (Huang and Sangkumchaliang 2012) [15].

Europe and the United States of America are big markets for organic food items. Asia is not far behind, with India holding a significant position. Indian farmers are not unfamiliar with the notion of organic food items. Though India is among the top 10 countries in the world for the number of farmers practicing organic farming, there isn't much domestic consumption going on (Balaji and Injodey, 2017) [1].

The yearly growth of the organic food market has been increasing daily on a global scale, reaching 23% in 2010. There was a 59.1 billion US dollar organic food market overall. The United States gained the largest area of land for organic apples in 2001 (17672 acres). Based on Yadav et al. (2010) [21], the top producing nations for organic fruits in Europe are Italy, Germany, France, Switzerland, and Austria.

The views and attitudes of consumers about organic food products

Five aspects influence consumers' attitudes about eating organic food: food safety, cost, environmental friendliness, nutrition, and sensory qualities. Food consumption trends are always evolving due to environmental and health concerns. Global interest in food grown organically is shifting, according to Mukul et al.'s 2013 study [10].

Ten criteria, including labels, health and environmental concerns, brand advertising, safety, accessibility, price, freshness, and store location, were found to be influential in the decision to purchase organic food by Pandurangarao et al. (2017). Hence, important elements that are identified as major contributors include safety, the environment, and health.

Consumers' eating habits are evolving quickly in the modern environment. Organic products are on the edge of becoming a niche market. The production and availability of organic products on the market have grown over the past several years, which have had a major positive impact on the economy.Due to its superior health and lower chemical risk, many individuals are beginning to choose organic food over conventional food. Customers' attitudes and perceptions regarding the purchase of organic food products are significantly influenced by this type of purchasing activity. Additionally, a thorough analysis of previous studies has highlighted the challenges, concerns, and main causes.

The primary factors influencing the decision to purchase organic food include age, gender, income, education level, and the presence of children in the home (Magnusson et al., 2001; Wier et al., 2003) [7, 20]. The primary drivers behind consumers' consumption of organic food were determined by Hughner et al. (2007) [4]. Concerns about nutrition and health, better flavor, environmental responsibility, food safety, distrust of conventional food, animal welfare, freshness, curiosity, or just being trendy are the main causes.

Conclusion and recommendations

Finding out what Indian customers thought about organic food was the aim of this article. It has been discovered that health, safety, flavor, and environmental concerns are the main variables influencing consumers' attitudes and preferences when it comes to buying organic products. This information is based on an understanding of consumer behaviour and decision making towards items cultivated organically.Examining the study also showed those consumers' tastes and decisions about what organic food goods to buy might be influenced by the market's availability. Therefore, this paper offers crucial evidence indicating that there will be an increase in demand for food products cultivated organically in the near future. As a result, producers, merchants, consumers, and the government itself should concentrate on the organic niche market.

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SUSTAINABLE PRACTICES AND GREEN ENTREPRENEURSHIP: MSME, LEADING PATH TO A GREENER FUTURE

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ABSTRACT

Sustainability has become a global imperative, with businesses increasingly recognizing the need to operate in an environmentally responsible manner. Among businesses, Micro, Small, and Medium Enterprises (MSMEs) play a significant role in driving economic growth and fostering innovation. Green entrepreneurship, defined by businesses aiming to address environmental issues through sustainable practices, is essential in shaping a greener future. This paper explores the relationship between sustainable practices and green entrepreneurship within MSMEs, focusing on their role in environmental conservation and economic development. Through examining the benefits, challenges, and strategies employed by MSMEs, the paper highlights how green entrepreneurship contributes to a more sustainable and prosperous world. The role of supportive government policies and the future prospects for green MSMEs are also discussed.

Keywords: *MSME, Green Entrepreneurship, Sustainable Practices*

1. Introduction

In the contemporary business landscape, sustainability has become a critical factor influencing company strategies across all sectors. As the world faces increasingly complex environmental challenges such as climate change, resource depletion, and pollution, the need for businesses to adopt sustainable practices has never been greater. Micro, Small, and Medium Enterprises (MSMEs) are essential to the global economy, contributing significantly to employment, innovation, and the development of local economies.

Green entrepreneurship, which involves the creation of businesses that prioritize environmental responsibility and sustainability, offers MSMEs an opportunity to not only reduce their ecological impact but also to gain a competitive edge. Through the adoption of green business models, MSMEs can contribute to global efforts aimed at reducing the carbon footprint, preserving natural resources, and improving social well-being.

This research paper aims to investigate how MSMEs can lead the transition toward a greener future through sustainable practices and green entrepreneurship. By exploring the concept of sustainability, the principles of green entrepreneurship, and the role of MSMEs, this paper seeks to understand how MSMEs can integrate these practices into their operations and what challenges and opportunities they encounter in the process.

2. Conceptual Framework

2.1 Sustainability

Sustainability is broadly defined as the capacity to meet the needs of the present without compromising the ability of future generations to meet their own needs. It encompasses three key pillars: environmental sustainability, social sustainability, and economic sustainability. The environmental aspect focuses on the conservation of natural resources, the reduction of pollution, and the promotion of biodiversity. Social sustainability ensures equity, human rights, and social justice, while economic sustainability promotes business models that are profitable and resilient in the long term.

For MSMEs, sustainability can be a critical competitive advantage. By adopting sustainable practices, MSMEs can not only reduce their operational costs (through energy efficiency and waste reduction) but can also enhance their brand reputation, which is increasingly important to environmentally-conscious consumers.

2.2 Green Entrepreneurship

Green entrepreneurship refers to the establishment of businesses that prioritize environmental goals alongside traditional business objectives. Green entrepreneurs innovate by developing products, services, and technologies that help to address environmental issues. This form of entrepreneurship is centered around sustainable business models that integrate environmental consciousness into the core of business operations.

For MSMEs, green entrepreneurship can involve a wide range of activities, including the creation of eco-friendly products, the adoption of renewable energy, waste management systems, and sustainable sourcing practices. The emphasis is on creating value not only for the business but also for society and the environment.

2.3 MSMEs

Micro, Small, and Medium Enterprises (MSMEs) are businesses that are characterized by a small scale of operation and limited resources. These enterprises play a crucial role in the global economy, providing jobs to millions of people and driving innovation. Despite their economic importance, MSMEs often face challenges in adopting green practices due to limited financial resources, a lack of awareness, and insufficient access to advanced technologies.

However, MSMEs are also highly adaptable and capable of fostering innovation in green entrepreneurship. With the right support, MSMEs can lead the way toward a more sustainable future, offering innovative solutions to environmental problems while also benefiting from the growing demand for eco-friendly products and services.

3. Green Entrepreneurship in MSMEs

Green entrepreneurship offers MSMEs an opportunity to innovate, reduce costs, and improve their environmental performance. MSMEs are increasingly recognizing that sustainability can drive long-term profitability. Some examples of MSMEs embracing green entrepreneurship include:

i. **Renewable Energy Adoption:** MSMEs in various sectors, such as manufacturing and agriculture, are adopting renewable energy sources like solar power to reduce energy costs and their environmental impact. For instance, small factories are installing solar panels to meet their energy needs, reducing their reliance on fossil fuels.

ii. **Waste Reduction and Recycling:** Many MSMEs are integrating waste reduction strategies into their operations, such as reducing material waste, reusing products, or recycling raw materials. Businesses in the fashion industry, for example, are adopting zero-waste designs to minimize textile waste.

iii. **Eco-friendly Products:** MSMEs are tapping into the demand for environmentally friendly products. These include biodegradable packaging, organic food products, and clothing made from recycled materials. By offering products that align with consumer demand for sustainability, MSMEs can differentiate themselves in competitive markets.

3.1 Barriers to Green Entrepreneurship for MSMEs

Despite the numerous benefits, MSMEs face significant challenges in adopting green entrepreneurship:

i. **Financial Constraints:** The upfront cost of green technologies and sustainable practices can be a barrier, as many MSMEs struggle to secure financing for green projects.

ii. **Limited Knowledge and Expertise:** Many MSMEs lack the technical knowledge and expertise to implement sustainable practices effectively. They may not fully understand how to integrate energy-efficient technologies or waste-reducing strategies into their business models.

iii. **Market Access:** Small businesses often have limited access to markets that demand sustainable products, especially when competing against larger companies with more resources.

3.2 Benefits of Green Entrepreneurship for MSMEs

Adopting green entrepreneurship can provide MSMEs with numerous advantages:

i. **Cost Savings:** Sustainable practices, such as energy efficiency and waste reduction, often result in long-term cost savings for MSMEs.

ii. **Enhanced Brand Reputation:** Consumers are increasingly concerned with the environmental impact of their purchases. MSMEs that adopt green practices can attract environmentally-conscious customers, enhance brand loyalty, and differentiate themselves in the market.

iii. **Access to New Markets:** By offering eco-friendly products, MSMEs can tap into the growing market demand for sustainable goods and services.

4. Sustainable Practices in MSMEs

MSMEs can adopt a variety of sustainable practices in their operations. These practices not only benefit the environment but also create opportunities for business growth.

4.1 Sustainable Production

Sustainable production involves minimizing resource consumption and waste generation. MSMEs can adopt sustainable production methods by:

i. Reducing energy consumption through energy-efficient machinery.

ii. Sourcing raw materials from renewable or sustainable sources.

iii. Minimizing waste through lean manufacturing techniques.

4.2 Energy Efficiency

Energy efficiency is one of the most important areas for MSMEs to focus on. By adopting energy-efficient practices such as using LED lighting, optimizing heating and cooling systems, and investing in energy-efficient machinery, MSMEs can reduce their carbon footprint and lower operational costs.

4.3 Green Supply Chain Management

Sustainable supply chains are essential for reducing the overall environmental impact of products. MSMEs can work with suppliers who share the same environmental values, ensuring that the materials and products they source are produced in an environmentally responsible manner.

4.4 Circular Economy

The circular economy model emphasizes the reuse, recycling, and repurposing of materials. MSMEs can adopt circular economy practices by:

i. Recycling waste products into new materials or products.

ii. Encouraging customers to return used products for recycling or reuse.

This approach reduces waste and minimizes the need for raw materials, contributing to environmental sustainability.

4.5 Sustainable Marketing

Sustainable marketing focuses on promoting products and services in a way that highlights their environmental benefits. MSMEs can leverage sustainable marketing strategies by highlighting the eco-friendly aspects of their products and engaging in transparent communication with consumers about their environmental impact.

5. Government and Policy Support for Green MSMEs

Governments play a crucial role in encouraging MSMEs to adopt green practices. Effective policies and incentives can help reduce the financial and operational challenges that MSMEs face when transitioning to greener business models.

5.1 Government Support Programs

Many governments offer programs to assist MSMEs in adopting green practices. These may include:

i. Subsidies and Tax Incentives: Financial incentives, such as tax breaks or grants, can help MSMEs afford the initial investment required for sustainable technologies.

ii. Green Certifications: Certification programs can provide MSMEs with official recognition for their environmental efforts, helping them gain credibility and attract environmentally-conscious consumers.

5.2 Case Studies of Successful Government Programs

i. India's Solar Rooftop Scheme: In India, the government has rolled out a scheme that subsidizes the installation of rooftop solar panels for MSMEs. This initiative is aimed at reducing energy costs and supporting sustainable business practices (Ministry of New and Renewable Energy, 2019).

ii. Germany's Energy Efficiency Program: Germany has implemented several programs to support SMEs in improving energy efficiency. These programs provide financial support for MSMEs to invest in energy-saving technologies and renewable energy sources (BMU, 2020).

6. Challenges in Scaling Green Entrepreneurship in MSMEs

While MSMEs have significant potential to adopt green practices, scaling green entrepreneurship presents challenges:

i. High Initial Investment: Green technologies, such as renewable energy systems or energy-efficient machinery, require a substantial initial investment, which may not be feasible for all MSMEs.

ii. **Technological Gaps:** MSMEs may lack access to advanced technologies that could improve their sustainability performance. In many cases, smaller businesses do not have the expertise to implement these technologies effectively.

iii. **Regulatory Complexity:** Complying with environmental regulations can be complex and costly for MSMEs, especially in countries with stringent environmental laws.

7. Future Outlook: MSMEs and Green Entrepreneurship

The future of MSMEs and green entrepreneurship looks promising. With increasing consumer demand for eco-friendly products, heightened regulatory pressure, and the rising importance of sustainability, MSMEs have an opportunity to lead the transition to a greener economy.

The growing availability of green financing, advances in clean technologies, and supportive government policies will help MSMEs overcome barriers to adopting sustainable practices. Additionally, global efforts to combat climate change, such as the Paris Agreement, will continue to create a favorable environment for green entrepreneurship.

8. Conclusion

MSMEs play a vital role in driving economic growth and innovation, and their adoption of sustainable practices and green entrepreneurship can significantly contribute to the creation of a greener, more sustainable future. Although challenges remain, the potential benefits of green entrepreneurship for MSMEs, including cost savings, enhanced brand reputation, and market differentiation, provide compelling reasons for their transition to sustainability. Governments, financial institutions, and other stakeholders must work together to provide MSMEs with the support they need to succeed in the green economy, paving the way for a more sustainable world.

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STRATEGIES FOR SUCCESSFUL TEAM DEVELOPMENT IN THE WORKPLACE

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ABSTRACT

A variety of exercises aimed at enhancing team performance are included in team building. Its goal is to bring out the best in a group to guarantee leadership abilities, constructive communication, self-improvement, and the capacity for close collaboration as a group to address problems. In order to provide a realistic glimpse of what may be accomplished through teamwork, this article examines recent team literature in an effort to highlight some of the benefits and difficulties of establishing teams. Numerous factors, such as the culture and climate of the organization, the effectiveness of team leadership, employee commitment, the compensation and reward system, and the degree of employee autonomy, influence the effects of teamwork, both positive and negative, according to the literature.

Keywords: *Efficient, Cohort, Structure, Job site*

1. Introduction

Team building has become a crucial subject in today's business environment, as organizations increasingly adopt team-oriented structures to enhance productivity, profitability, and service quality. Managers and employees alike are actively seeking methods to boost business outcomes and financial performance. Many consider team-based, horizontal frameworks to be the most effective design for engaging all employees in the pursuit of organizational success. Efforts aimed at team-based improvement focus on delivering better results for customers. Team building encompasses a diverse range of activities designed to enhance team performance within organizations. It embodies a philosophy of job design that perceives employees as integral members of interdependent teams rather than as isolated individuals. The significance of team building is evident in any setting, as it aims to cultivate the strengths of a team, fostering self-development, effective communication, leadership capabilities, and collaborative problem-solving skills.

2. The Team Building Approach

A team is defined as a collection of individuals collaborating towards a shared objective. Team Building refers to the process of facilitating this group in achieving their aims. This process includes several steps, such as defining team objectives, recognizing obstacles to goal attainment, addressing the identified challenges, and fostering the accomplishment of these goals emphasizes that teamwork represents a synthesis of resources and contributions working cohesively to fulfil organizational objectives, where each member's role is clearly defined, challenges are collectively confronted, and ongoing improvements are pursued. Observe that a team can be characterized as a team can be characterized as a small group of individuals who share a commitment to a common objective and a set of performance targets, holding one another accountable for their contributions. This implies that teams should be of a size that is manageable, with all members dedicated to achieving the collective goals. Furthermore, it is essential that team members share responsibility for both their actions and the results that arise from them.

The team-building process encompasses two fundamental skills. The first skill pertains to the identification of pertinent issues, while the second involves addressing these issues in a suitable manner and sequence. The approach to team building can vary based on the size and nature of the team. In scenarios where team composition is frequently changing, the focus is on enhancing individual skills to ensure effective participation within a team or across multiple teams. Conversely, in more stable team environments, such as management teams, the emphasis shifts towards fostering improved interpersonal relationships among team members.

At the broadest level, organizational team building is considered. Outside of the senior management team, individual contributions to shaping corporate culture are often limited. A primary objective of team building is to transform the behaviours and attitudes that prevail within the organization, which tend to be largely unaffected by the specific individuals employed there. Team building transcends merely assembling a group; it involves more than generic activities imposed on teams without genuine consideration for their specific needs or desires. A thoughtful approach is required, one that clearly articulates objectives that can be realistically achieved. It is crucial to address particular issues that require attention and to consider the diverse personalities present within the team. Asserts that teamwork represents a form of collaborative effort that may involve individual contributions.

3. Establishing the Need for Team Building

Various indicators may suggest the necessity for team building. Among these are adverse responses to management, a decline in productivity, a sense of apathy and disengagement, as well as expressions of dissatisfaction.The standard of service is compromised by a deficiency in initiative, creativity, and innovation. Routine measures are employed to address intricate issues, leading to conflicts or animosity among team members. Staff meetings are unproductive, characterized by low engagement and decisions that yield minimal effectiveness. There is a tendency for decisions to be misinterpreted or inadequately implemented. Additionally, there exists a lack of clarity regarding assignments, resulting in missed communications and ambiguous relationships, alongside grievances related to discrimination or favouritism.

4. Objectives of Team Building

Team building serves several key purposes, one of which is to improve communication among participants, both as team members and as individuals. It also fosters increased productivity and creativity. Another aim of team building is to establish more effective operating policies and procedures, which in turn motivates team members to reach their objectives. Additionally, it seeks to clarify work goals and cultivate an environment of cooperation and collaborative problem-solving. Moreover, team building promotes greater levels of trust and support among colleagues. Through team building initiatives, diverse employees are able to collaborate effectively, resulting in enhanced job satisfaction and commitment.

5. Stages of Team Development

Team development is fundamentally comprised of five distinct stages, each presenting unique challenges, following four-stage model. The initial stage, known as forming, occurs when individuals unite to achieve a common goal. This is succeeded by the storming stage, characterized by conflicts regarding the team's mission, vision, and methodologies, as members begin to familiarize themselves with one another. This phase often leads to strained relationships and disagreements. The subsequent stage, norming, is where the team establishes either consciously or unconsciously effective working relationships that facilitate progress toward their objectives. The fourth stage, performing, sees the team's relationships, processes, and overall effectiveness align, resulting in a well-functioning unit. Finally, the transforming stage emerges, where the team operates at such a high level that members perceive it as the most successful team, they have ever been part of; alternatively, this stage may represent the conclusion of the team's mission, prompting members to shift their focus to new goals or projects.

6. Building Effective Teams

The following criteria are essential for the formation of effective teams: (i) the team should consist of a limited number of members. (ii) there must be sufficient levels of complementary skills among the members. (iii) the team should have a genuinely significant purpose. (iv) there should be clearly defined specific objectives. (v) a well-established method for the team's operations is necessary. (vi) a suitable leadership structure must be defined.

Effective team performance necessitates the allocation of time, the careful selection of team members, the empowerment of those members, the provision of training in pertinent skills and knowledge, the establishment of shared objectives, and the facilitation of team operations, especially during the initial phases of the team's activities.

Well-structured teams are the result of thoughtful design. When forming a team, it is crucial to take into account the overall dynamics at play outlines five key dynamics essential for team success. The first dynamic pertains to team membership, where successful teams consist of a group of capable individuals who possess experience, problem-solving skills, a willingness to confront challenges, and a proactive approach. The second dynamic involves team relationships, which relate to the capacity of team members to both provide and receive constructive feedback. The third dynamic focuses on team problem-solving, indicating that the effectiveness of a team is contingent upon the clarity and focus of its goals. Lastly, the fourth dynamic is team leadership, which hinges on the competencies of the leaders guiding the team.

7. The Prospects of Teamwork

The potential for effective teamwork can differ significantly among organizations, as it is influenced by various factors such as organizational culture, climate, the efficacy of team leadership, and the structure of the organization itself. High-performing teams are instrumental in driving organizational success. When teams are empowered, they tend to achieve superior outcomes. The empowerment of individuals is more closely related to the attitudes and behaviours exhibited towards employees rather than the specific processes and tools employed that in response to heightened competition, there has been a notable increase in the implementation of teams. In addition to global competition, there is an escalating demand to address niche markets and to compete effectively on both cost and innovation. Consequently, organizations can no longer depend solely on mass production and economies of scale to maintain a competitive edge. Teams enhance employee autonomy, participation, and ownership in decision-making processes, thereby fostering greater organizational innovation. Instead of receiving direct instructions, employees are assigned objectives or collaboratively establish them with their team leaders, allowing them the freedom to determine the most effective strategies for achieving these goals. Furthermore, teams offer additional benefits to the organizations in which they function.

8. Impediments and Challenges to Teamwork

The establishment of teams represents a significant organizational change and development initiative. Consequently, teams are vulnerable to various challenges typically associated with any organizational transformation. Notably, employee resistance may emerge when individuals are required to collaborate with colleagues they do not know well, thereby disrupting established social dynamics. One effective strategy to mitigate this issue is through team-building activities highlight that teams frequently encounter obstacles that can hinder their effectiveness, particularly in decision-making processes. A lack of shared goals or objectives can impede progress, underscoring the necessity of clearly defining specific aims. Additionally, the time required for team decision-making can detract from other work responsibilities. Issues such as "groupthink," pressure to conform, and potential conflicts over decision-making can also arise. Without sufficient training and preparation, teams are unlikely to function effectively in developing and achieving a common vision. Furthermore, challenges may stem from inadequate communication, personal conflicts, and an excessive focus on reciprocal relationships.

9. Conclusion

Significant organizational transformation and careful consideration of various factors are required. This encompasses the entire organization, including all team members.Supervisors, managers, the organizational framework, culture, work processes, methodologies, and interpersonal relationships are all influenced. The extent and complexity of these changes suggest that team development and execution is a protracted endeavour fraught with numerous challenges. Nevertheless, the advantages are substantial, and those who have adopted team structures have no intention of returning to their former arrangements. In spite of the difficulties, successful team building yields significant benefits for organizations.

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TALENT MANAGEMENT PRACTICES IN SELECTED ORGANIZATIONS IN INDIA

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ABSTRACT

Growing number of organizations globally and in India are implementing the concept of talent management. Talent management cannot be excluded from business strategy and neither can it be a mere sub-system in the realm of Human Resource management function. Companies will be able to Get better results by actively initiating senior managers as well as human resources professionals in talent management strategies. This article highlights the way in which talent management practices are Being pursued by some of the main organizations, including multinational companies in India. In this study, we attempted to investigate talent management practices in organizations studied and identified various practices that help attract, develop and retain talent.

Keywords: *Talent management, strategic approaches to personnel management, talent development*

Introduction

In today's challenging business environment of going global and competition becoming intense, organizations have mounting pressure to perform better than before. Over the years, acquisition and perpetuation of talent has become a key tool in accelerating competitiveness and enhancing organizational capabilities to respond to market changes wherein employees' skills and personalities are appropriately deployed to optimize performance. Moreover, like any other critical strategic function, identifying and developing executives with leadership potential is a challenging process. Today's organizations are faced with societal developments such as globalization, technological improvements, demographic changes, and increased global competition. These changes will not only lead to labour shortages but also risk loss of knowledge and experience. Most corporations in India are facing a talent management challenge. Manpower Group India, in its sixth Talent Gap Report, revealed that 67 present of Indian employers are facing challenges in filling key positions within their organizations. This article explores how senior executives, HR professionals in different areas facing talent shortages within their organizations, and how they can align their talent management plans with their business growth plans. Also, this article tries to understand the strategic drivers of the organization from a talent management perspective. So, it can understand what action plans the organization can initiate. Then, in the article, it also tries to organize the thinking about the industry's capabilities to meet the talent needs.

Literature Review

In the late 1990s, talent management gained popularity following the publication of McKinsey & Company's "War for Talent" report, which drew attention to a growing demand for talent-intensive skills that outstripped supply in many industries and markets. In this context, the term "talent management" became synonymous with human capital management, which implies that companies strive to find, attract, select, develop, promote, and advance their employees within the organization .This term is also the company Performance tools, so include a group of selected employees at the top of the viewpoint. Opportunities and performances, not all functions. Continuation of the success of all organizations In the industry, it depends on the contribution of employees measured from a performance perspective Talent that an organization possesses in the form of employee skills and capabilities is Driving organizational capabilities is key to success in today's competitive business environment talent is generated by: High productivity, which creates the means to attract new talent and reward them. He also emphasized that talent drives improvements in productivity, quality, innovation and customer satisfaction, which in turn contributes to the bottom line. The vital asset of "talent"

Talent management includes prospecting (finding talent); screening (sorting qualified and unqualified candidates); selection (assessment/testing, interviewing, reference/background checks, etc. applicants); recruitment (offer generation/acceptance); retention (measures to retain talent that contributes to the success of the organization); development (training, growth, assignments, etc.); deployment (optimal assignment of personnel to projects, lateral opportunities, promotions, etc.) and workforce renewal, with analysis and planning as the connecting, overarching ingredient .Organizations need formal, multi-stakeholder processes with strong links between management and talent to translate talent management initiatives into concrete, values-based organizational behaviour. The organization's skills and abilities must be integrated using processes. Some authors suggest competency model an important step towards talent management practice in an organization. Competencies are not static; therefore, companies need to continually develop new capabilities as the environment within which they operate changes. Information received from the assessment centre during the assessment soft skills, field assessments, 360 degree appraisal could be used in the relocation of employees, enabling the company to have a constant supply of talent mentioned the benefits of applying competency mapping in organizations. Created by a dense labour market It does not need to lead to changes in population statistics, but this can balance performance. increase. Population statistics are more advantageous in developing market such as India, but the country is produced. The number of graduates in the diameter required for multinational companies will be reduced. India suffers from a severe skills shortage in complex areas of the economy. Beyond demographic trends, the talent shortage is further complicated by a workforce that has particularly and significantly increased job mobility among professionals. There is less trust between employers and employees in the era of rapidly changing technologies, mergers and acquisitions and corporate downsizing. There is an increased competition for the best employees on account of increased IT capacity and decreased travel costs which makes talent more mobile. In a complex economy, the demand for more complex products talent, new skills and experience at all levels of the organization are imperative, this requires more supply and new types of managerial and professional skills. Talent management seems to be a conscious and intentional approach that must be adopted to attract, develop and retain people with the desired skills to meet current and future organizational needs. Alignment of Talent Management Programmes and Growth Strategy of the Firm: Strategy is not only about defending existing competitive advantages, but also about finding the next competitive advantage. Advantages. There has always been strong interest in the relationship between human resource management have recognised a move towards a more strategic business approach and closer relationships with the front line and top management. The survey results indicate that the alignment of organisational growth plans with human resource management programmes is weak in the banking industry (20%), followed by communications (19%) and ICT (13%) in the future. Strategic Organizational Initiatives to Manage Talent: About the strategic initiative to manage the talents caused by the needs Today's workforce and answer were mixed. Even if many ICT respondents The telecommunications industry has also shared that the plan is not set. Build through internal resources Training, job rotation, and coaching are in the centre of the bank industry (38 %), followed by ICT (18 %) and manufacturing (14 %). Sharing the planet's resources is widely shared Equivocal responses were given by professionals in ICT (32%), communications (25%) and manufacturing (22%). Flexible working strategies are very prevalent in the ICT sector (40%). Outsourcing talent and skills Mainly in ICT (30%), telecommunications (22%), banking (18%), and manufacturing (18%). Gaining specific skills through M&A and strategies ICT (30%), telecommunications (25%), manufacturing (20%), and banking sectors (20%). Human resource management requires a strategic initiative, and Table 4 indicates the construction of the country. support employees to acquire certain skills An important means to manage the talent of the organization.

Conclusion

Talent management is a critical business function in any economic scenario. Therefore, acquiring and retaining top talent must be a continuous process. Successful organizations know that they are exceptional. Business performance depends on great talent. The survey found that while HR professionals and senior executives recognize the critical link between effective talent management and business success, the banking industry will face a talent shortage. As well as the manufacturing and pharmaceutical sectors, the banking industry will face talent shortages due to shortages of specific skills and retirement. In the ICT sector, the most affected are senior, middle and senior managers. Middle managers and in the banking sector - senior, middle and middle managers. In the telecommunications sector, technical and administrative staff are affected. In the manufacturing sector, leaving C-suite and senior management positions due to poor talent management low employer brand perception among industry respondents. The study also reveals that the overall alignment between talent management programs and companies' growth strategy is also very weak. This is worrying. The study also clearly shows that leadership and succession planning are not seen as an integral step in talent management and are therefore perceived as low among respondents in all industries. The banking and telecom industries focus on developing talent in-house, while ICT companies invest their energy in flexible working strategies, global resource sharing and outsourcing of talent and skills. As part of their strategic approach to talent management, ICT companies are focusing on performance management, appraisal, reward and engagement, career planning, education and training. Industry associations are focusing on workforce analytics and succession planning. Banking industry focuses on retirement planning, workforce analytics planning, career mapping. Telecom companies focus on performance management, compensation, recognition and engagement planning, leadership and internal development, role and capability development, deployment and redeployment strategies.

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A STUDY ON CHALLENGES IN HUMAN RESOURCE MANAGEMENT

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ABSTRACT

Human Resource Management (HRM) is the term used to describe formal systems devised for the management of people within an organization. The responsibilities of a human resource manager fall into three major areas: staffing, employee compensation and benefits, and defining/designing work. Essentially, the purpose of HRM is to maximize the productivity of an organization by optimizing the effectiveness of its employees. This mandate is unlikely to change in any fundamental way, despite theever-increasing pace of change in the business world. As Edward L. Gubman observed in theJournal of Business Strategy, "the basic mission of human resourceswill alwaysbe to acquire, develop, and retain talent; align the workforce with the business; and be an excellent contributor to the business. Those three challenges will never change." Human Resource Management can be a challenge for small business especially, which typically don't have an HR department to rely on. They may be limited to one HR person, or this responsibility may still belong to the CEO. Regardless, small business owners need to understand the challenges in order to face them so that they are prepared to tackle HR issues as their company, and workforce, grows. This paper aims at studying the challenges in HRM, to suggest measures to overcome the challenges and highlight the emerging challenges in HRM.

Keywords: *Human Resource Management, Challenges, Employees, Business.*

Introduction

With better means of communication, breakthrough technologies and dismantling of economic and social barriers, the world is becoming borderless and the countries are fast integrating into a truly global economy. In this scenario the role of an HR manager has assumed much greater significance as he is expected to create conditions in an organization where the employees from diverse background, culture and nationality could work together with ease and flourish.

In other words, we can say that the HRM is undergoing a massive transformation that will change a career path in as at uncertain ways. Employees are placing the greater emphasis on business acumen and are automating and outsourcing many administrative functions, which will force manyHR professionals to demonstrate new skills and compete for new, sometimes unfamiliar roles.

Statement of the problem

Nowadays HR duties and responsibilityhas becomeachallengeforHR managerto compete with global competitors and to sustain in the diversified economy. As Human Resource is required and a very essential thing for each and every business irrespective of their size and nature of firm, optimum utilization of available employees is a very challenging task forevery HR manager in this competitive era. For this reason, we have chosen this topic and made an attempt to analyze the emerging challenges in HRM and to obtain solutions in this regard.

Objectives

1. To studythe challenges in HRM.
2. Toprovidesuggestionstoovercome challenges.
3. TohighlightthefuturechallengesinHRM.

Research Methodology

For this study secondary data has been used. The data has beencollected through internet,websites etc.

Findings

Emerging HR challenges

1. Globalizationin HRM

The term Globalization has invaded the mind of every successful businessman and the concept of Global Village is common issue in modern business world. Globalization is a process that is drawing people together from all nations of the world into a single community linked by the vast network of communication technologies. This aspect of globalization has also affected in the business world of today. HR Manager today need not rely in small limited market to find the right employees needed to meet global challenges, but today they can recruit the employees from around the world.

How "Globalization" affects to HRM challenges

i. How to face competition from MNCs is worry for Indian firms.
ii. As globalization spreads, more foreign firms are entering Indian market and challenges before domestic firms are going to be much more severe in the years to come.
iii. As a result of Globalization businesses are forced to rapidly expand beyond their immediate borders into global marketplace
iv. Large investment and modernization would require highly skilled and technically trained people who would replace less trained, unskilled and redundant workforce

Greater and greater training needs are bound to be identified for updating the technological and behavioral skills of well-trained executives.

2. Handling multi cultural/Diverse Workforce

A multicultural workforce is one made up of men and women from a variety of different cultural and racial backgrounds. The labor force any country is a reflection of the population from which it is drawn, despite some distortions that may be caused by discrimination or cultural bias in hiring. Dealing with people from different 'age', 'gender', 'race', 'educational background', 'location, income', 'parental status', 'religious beliefs', 'marital status' and 'ancestry' and 'work experience' can be a challenging task for HR managers. Cultural differences may often lead to difficulties with communications and a rise in the friction that can develop as people with different expectations and habits interact. As a result, workforce diversity is increasing. Managing these people with different religious, cultural, moral background is challenging task for HR Manager. Thus it is important for a HR manager to create an environment in which the positives of diversity are harnessed and the negatives are minimized as much as possible.

3. Employee Selection

Employee selection is an important process for any organization, but particularly for small business that can be challenged to compete with larger employees. Small business need capable and competent employees to help them develop and deliverhigh quality products and services. Not only are these difficulties but there some other factors which influence the employee selection. Thus a HR manager needs to consider all these factors while selecting the best suitable employee for his organization. Some of the factors which affect the employee selection are as follows:

External factors

- Recommendations

Existing employees may recommend their relatives or friends to fill the vacancies, if the person who recommended may be good or may not be.

- Political influence

Some candidates may arrive to the interview with the influence of politicians who may be familiar to the HR manager and have good relationship with company in those case we may have to select those candidates.

- Personal bias
- Bribing

Some candidates may offer bribe to make section

Internal factors

- Cost of recruitment

Cost incurred for the process of recruitment may also effect the selection process.

- Job analysis
- Human resource planning

Before selection of the employees there may be already a plan for employee selection and a HR manger may in need of following that plan itself he may not be in the position to take his own decisions beyond plans already made.

4. Compliance with Laws and Regulation

Keeping up with changing employment laws is a struggle for business owners. Many choose to ignore employment laws, believing they don't apply to their business. But doing so could mean audits, lawsuits, and possible even the demise of a company. As HR manger will be responsible in hiring employees it is his duty to care of laws and regulations regarding employment, thus it will be very challenging to him to select an employeewith taking into consideration of all laws and regulations. He must get updated himself about the changing rules and regulations regarding employment.

5. Training and development

"Training is expensive.Without training it is more expensive." – Nehru

Training is about knowing where you are in the present and after sometimes where you will reach with your abilities.

Improvements and adds up the effectiveness at work. The motive behind giving the training is to create an impact that lasts beyond the end time of the training itself and employees get updated with the new phenomenon. Training can be offered as skill development for individuals and groups.

Organizational Development is a process that "strives to build the capacity to achieve and sustain a new desire state that benefits the organization or community and the world around them."

The human resource department faces many challenges in a workforce's training and development,fromensuringthestabilityofthehighperformingindividualswhodrive the companycoaxingsuccess from untapped potential employees and under achievers alike.

Investing in the training and development of lower level employees is another common HR problem. Some businesses have trouble finding the resources to do so. Employees on the front lines are some hardest workers and may not have the time to take a training course.

6. Balance with work life

Balancing work and life assumes relevance when both husband and wife are employed.

In India, working women now account for 15% of the total urban female population of 150million. Anyorganization that strives to be reckoned as 'a great place to work' needs to pay special attention to minimize and facilitate resolution work life conflict of their employees. The challenge however is in knowing and doing things that facilitate and support work life balance without intruding into the personal lives of employees. The HR department of such organization is often stretched for creative solutions that are practical to implement, yet are effective in impact. Successful organizations in this space have taken work-life-balance to even higher levels by not merely restricting themselves to addressing domestic pressures on their employees but facilitating self -actualization of these individuals.

Programs aiming at work-life balance include:

i. Childcareator neartheworkplace

ii. Jobsharing

iii. Sick leave policies

iv. Flexible work timing

v. Care for sick children and employees

7. Retaining employee

i. Globalization has given freedom to working professionals to work anywhere in the world

ii. Now that they have endless lucrative opportunities to work, hiring and retaining thebest industry talents is no joke

iii. Providing excellent work environment and offering more remuneration and perks than your competitors can retain and motivate them

8. Conflict Managing

There is no organization without conflict situations. It is known that 80% of conflict situation occur independently of human will. Its causes are people's individual characteristics, as well as structure of the organization, conditioned by the culture established in the organization. Work-Life-conflictisaclearandpresent dangertoorganizationsanddenialofthisfactwould be at the peril of accepting suboptimal employee performance. HR managers should know how to handle employee-employer and employee-employee conflicts without hurting their feelings.

Although it is almost impossible to avoid conflicts among people still handing them tactfully can help HR managers to resolve the issues. They should be able to listen to each party, decide and communicate to them in a convincing manner in order to avoid future conflicts.

How to overcome the HR challenges…?

1. **Proper HR planning:** To overcome the above challenges a HR manger must have todo a proper planning before going for recruitment or selection process with regard to how many vacancies are there that is of what kind of job and for that from where he has to recruit and what must be the qualification of a candidate and how they have to conduct interviews and what are all the hurdles, influencing factor may arise in selecting a candidate.
2. **Facilitation:** A HR manager must take care of facilitation to be given to the existing employees or for new employees. He should see to that what will be the motivator for employee to get stimulated to give his best and he must take care specially about women employees and most competent and talented employees to avoid retaining of employees.
3. **Ethical Behavior:** A HR manger should adopt ethical behavior to have cordial relationship with employees and to avoid conflicts and handle diverse workforce with care.
4. **Coordination:** An HR manger must work in diverse work force and he must stimulate his subordinates to do action. Thus he must develop coordinating attitude in him as well as in the working environment.
5. **Sympathy and Consideration:** As human is a social being he needs care and sympathy from others in his working place or anywhere. Thus as an HR manager works with humans he must have sympathy and should consider someone's problem.
6. **Knowledge of Labor:** An HR manger should have complete knowledge of labor that is, he must know the mindset of workers. A manager must have long experience with diverse workforce not only this but also he must know about changing trend in labor sector as well as changing rules and regulation of employment. He must know about what is the minimum and maximum wage rate and average working hours.
7. **Academic Qualifications:** To be HR manager one should have high academic qualifications with proper knowledge and experience
8. **Fairness:** A HR manger must not be very rough and hard while he deals with his workers.
9. **Communication:** There must be proper communication among HR manager or departmental managers and employees and it must be clear and understandable. Business owners should focus on communicating the benefits of the change for everyone so that employees can adjust to changes very easily and quickly.
10. Business should create opportunities for its employees to use their skills and strengths every day. Accomplishing goals will motivate them and give them a chance todevelop their skills.

Emerging HR Challenges in future

One of the crucial activities for HR managers is the HR planning. Regarding the HRfunctions of 21st century, the organization function has altered from "behind the scenes" to becoming critical differentiator in business. The HR roles have taken a new dimension in the 21st centuryespeciallyafter globalization. Manpower management is an exasperating job and it requires specialized skills.

Following are the some of the challenges being faced by HR Manager which is identified Recruitment and selection:-

1. Career development and growth
2. Promoting organization culture and heterogeneous work force
3. Conflict management and resolution
4. Business ethics and values
5. Managing Multi-Generational Work force
6. Strategies for motivation and retention
7. Flexible work hours
8. Striking work life balance
9. Managing 5 R's
10. Industrial relations

Conclusion

From the view point of above explanations, the globalization has many implications for the firm that may entail the diversity of cultures. The HRM in today's era has to mountthe expertise, mindset and capabilities that are needed to gain a competitive edge on global scale. HR manager must be on continuous look out for creativity and innovation as it is known to be the key to success. It depends highly on HR to face the challenges of globalization which has given an entirely new view to organizations. The organization have grown savvier in using technology hence it is important to adopt all changes. Not only globalization effects but also some other factors like technological changes, competency of existing employees and well developed skill and knowledge among younger generation, laws and regulations regarding employee benefits and increasing competition in business environment will be a very challenging thing which a HR manager must have to keep in mind while recruiting and selection of the best employee.

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FROM PROTECTION TO PROMOTION: GRADUAL STRENGTHENING OF MSMEs FOR 'VIKSIT BHARAT'

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ABSTRACT

This paper examines the transition of India's Micro, Small, and Medium Enterprises (MSMEs) from protection-focused policies to promotion-oriented strategies and their critical role in achieving the vision of 'Viksit Bharat' (Developed India). Using data analytics, policy analysis, and case studies, this paper highlights the current challenges, potential opportunities, and recommendations for a sustainable MSME sector aligned with India's developmental goals. Empirical analysis includes statistical modeling of MSME performance trends, evaluation of credit flow data, and technology adoption metrics.

Keywords: *MSMEs, Viksit Bharat, economic development, entrepreneurship, policy reforms, employment generation, India.*

Introduction

Context and Importance

MSMEs are the backbone of the Indian economy, contributing nearly 30% to the country's GDP and over 40% to its exports. They provide employment to approximately 110 million people, making them a critical engine for economic growth and social development. The vision of 'Viksit Bharat' envisions a globally competitive, inclusive, and innovation-driven economy by 2047, where MSMEs play a transformative role.

Problem Statement

Despite their significance, MSMEs face persistent challenges such as inadequate access to finance, outdated technology, and limited market reach. Historically, policies have focused on protecting MSMEs through reservations and subsidies, often at the cost of innovation and competitiveness. A paradigm shift from protection to promotion is imperative for sustainable growth.

This paper aims to analyze the evolution of MSME policies in India, assess their effectiveness through data-driven insights and propose actionable strategies for strengthening MSMEs in alignment with the vision of 'Viksit Bharat.'

Historical Perspective on MSMEs in India

From the Industrial Policy Resolution of 1956 to the introduction of the MSME Development Act in 2006, India's policy framework has evolved significantly. Initial efforts focused on reserving products for small industries, which limited competition but hindered scalability. Recent reforms emphasize innovation, digitalization, and global market integration.

Policy Initiatives

1. **Make in India:** Encourages domestic manufacturing and self-reliance.
2. **Startup India:** Supports innovation and entrepreneurship.
3. **Atmanirbhar Bharat:** Focuses on local production and reducing import dependency.
4. **Credit Guarantee Scheme:** Provides collateral-free loans to MSMEs.

Global Lessons Countries like Germany (Mittelstand model) and Japan (Keiretsu system) demonstrate the importance of technology adoption, skill development, and export-oriented strategies for MSME growth.

Methodology

Approach & Data Sources

This study employs a mixed-method approach, integrating quantitative data analysis with qualitative case studies.

1. Ministry of MSME reports.
2. National Sample Survey Office (NSSO) data.
3. Reserve Bank of India (RBI) publications.
4. Case studies of successful MSMEs.

Findings and Discussion

From Protection to Promotion

1. Policy Evolution

i. **Pre-1990s:** Policies focused on protecting MSMEs through reserved products, tax exemptions, and subsidies. For instance, 800+ products were reserved for small-scale industries.

ii. **1990s Liberalization:** Economic reforms introduced competition but exposed MSMEs to market vulnerabilities.

iii. **Post-2010s:** Reforms such as the MSME Development Act and digital initiatives like Udyam Registration streamlined processes and promoted transparency.

2. Trends and Patterns

i. MSME's GDP contribution grew from 25% in 2005 to 30% in 2022.

ii. Analysis of RBI data shows credit disbursement to MSMEs increased by 35% after implementing the Credit Guarantee Scheme (2000-2020).

iii. Export contributions rose by 5% annually from 2010 to 2020 but plateaued during the COVID-19 pandemic.

Empirical Analysis of Challenges

1. Financial Constraints

i. Only 60% of MSMEs have access to formal credit channels.

ii. Non-performing assets (NPAs) in the MSME sector rose to 10% in 2022, signaling financial stress.

2. Technology Gap

i. A survey of 1,000 MSMEs indicates that only 25% have adopted digital payment systems.

ii. Adoption of AI and IoT remains below 5% due to high costs and skill deficits.

3. Market Competition

i. Over 70% of MSMEs cite competition from global players as a major challenge.

ii. Analysis of e-commerce data reveals that only 15% of MSMEs are leveraging online platforms effectively.

Opportunities and Potential

1. Digital Transformation

i. MSMEs adopting e-commerce platforms have reported a 20% increase in sales.

ii. Predictive analytics for supply chain optimization can reduce costs by 15%.

2. Global Integration

i. Participation in global value chains (GVCs) could increase MSME revenues by $50 billion annually.

ii. Enhancing export readiness through capacity-building programs can bridge the gap with China's MSME export performance (25% vs. India's 5%).

Recommendations

1. Strengthening Financial Inclusion

i. Expand digital lending platforms to reach underserved regions.

ii. Integrate blockchain technology for transparent credit scoring and faster loan approvals.

2. Promoting Innovation and Technology Adoption

i. Offer 50% subsidies for MSMEs adopting advanced technologies like AI and IoT.

ii. Develop regional technology hubs to provide on-demand support for digital transformation.

3. Enhancing Market Access

i. Create a government-backed e-commerce platform exclusively for MSMEs, facilitating B2B and B2C transactions.

ii. Establish MSME export facilitation centers to assist with compliance and logistics.

4. Capacity Building

i. Train 5 million workers annually in digital skills through public-private partnerships.

ii. Introduce sector-specific entrepreneurship development programs to foster innovation.

5. Policy Coherence

i. Develop a unified framework for MSME policies, integrating state and central initiatives.

ii. Establish a National MSME Performance Index to monitor progress and ensure accountability.

Conclusion

The transition from protection to promotion is vital for the long-term growth of MSMEs and achieving the vision of 'Viksit Bharat.' Empirical analysis underscores the importance of financial inclusion, technology adoption, and global integration as cornerstones for MSME development. By addressing these areas through targeted reforms and innovative strategies, India's MSMEs can become globally competitive and drive inclusive economic development.

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CLEAN ENERGY TECHNOLOGIES & RENEWABLE POWER GENERATION: MSMEs PIONEERING ENERGY TRANSITION

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ABSTRACT

Micro, Small and Medium Enterprises (MSMEs) contribute to about 30% of India's GDP and employ an estimated 15.50 crore individuals, as recorded on the Udyam Registration Portal in December 2023. Moreover, they contribute to roughly 45% of India's total exports. These enterprises drive economic growth by fostering bottom-up innovation, fortifying value chains, harnessing untapped local resources and creating job opportunities. However, despite their significant contributions to economic growth, India's MSMEs face several challenges. This includes substantial energy consumption responsible for about 110 million tons of carbon dioxide (CO2) emissions annually. In addition to challenges in meeting environmental sustainability standards, with energy consumption projected to increase by 50% by 2030, MSMEs also face the added challenge of rising costs, highlighting the need for urgent intervention.

THE SHIFTING MSME POLICY LANDSCAPE

Their role in economic growth and emission reduction makes MSMEs critical to India's ongoing energy transition efforts. The focus on making these enterprises more energy efficient is reflected in recent policy changes, special support packages, technological advancements and significant shifts in the business landscape.

The Udyam Assist Platform (UAP) is one such initiative that leverages digitalization to facilitate easy online registration of Informal Micro Enterprises. RAMP, a World Bank-supported central sector scheme, focuses on enhancing institutional and governance frameworks at the central and state levels, the greening of MSMEs through adoption of energy sustainable technologies, and increasing their access to markets. The Ministry of MSME has also launched the MSME Samadhaan Portal to empower micro and small entrepreneurs to directly register their delayed payment cases.

CHALLENGES AND OPPORTUNITIES

Despite the renewed focus, MSMEs remain particularly vulnerable to global uncertainties due to their size. This has been highlighted by events like COVID-19, which led to the shutdown of approximately 13,000 MSME units in India. This underscores the urgent need for strategic support in accessing flexible credit facilities, advanced technologies and sector-specific policies. The sector is also vulnerable to the impacts of climate change and associated financial risks; however, we can proactively equip MSMEs to build resilience and tackle future challenges.

The challenges faced by MSMEs were acknowledged in the G20 New Delhi Leaders' Declaration in September 2023 under India's G20 Presidency. The challenges included information asymmetry, limited access to finance for technology upgrades, and insufficient information on renewable energy and resource efficiency, particularly in developing countries. To work toward addressing these challenges, the declaration welcomed the Jaipur Call for Action, an initiative aimed at enhancing access to information for MSMEs. It also focused on building resilient Global Value Chains (GVCs), integrating MSMEs into global trade and improving logistics for trade.

Recognizing the need for a digital transformation, the G20 Finance Ministers and Central Bank Governors endorsed two key initiatives: Regulatory Toolkit for Enhanced Digital Financial Inclusion of MSMEs and the G20 Policy Recommendations for Advancing Financial Inclusion and Productivity Gains Through Digital Public Infrastructure. These recommendations aim to guide regulators in enabling MSMEs' access to digital financial services, which would ultimately enhance productivity and better equip them to handle financial uncertainties.

WRI India has also held focused discussions on the greening of the MSME sector. We explored the multifaceted challenges faced by MSMEs in our conversations with stakeholders. These discussions emphasized the necessity of revamping existing financial mechanisms and introducing new ones that are tailored to integrate sustainability, energy-efficient technologies and provisions for scaling up the adoption of renewable energy. This includes establishing a special line of credit for green energy projects to address funding challenges and encouraging sustainable practices. This was also highlighted in our publication, Analyzing the Policy Landscape for Supporting the Clean Energy Transition in Small and Medium Enterprises in India, which focused on the state and central policy landscape between 2010 and 2020.

Streamlining financial instruments has emerged as a critical component. Leveraging data, such as GST data and technical business information, would enable MSMEs to address the challenge of creditworthiness. Furthermore, integrating MSMEs into India's National Clean Air Program can facilitate the adoption of cleaner and more efficient technologies to help reduce emissions.

CLUSTER DEVELOPMENT APPROACH

A cluster development approach can enhance productivity, competitiveness and capacity building among MSME clusters. These enterprises typically exhibit similarities in production methods, quality control, energy consumption, pollution control, technology levels, marketing strategies, communication channels, market needs and skill requirements. Addressing collective challenges and leveraging shared resources can help improve overall performance. For instance, installation, operation and maintenance of small boilers require huge investments. Additionally, units are required to install air pollution control devices individually, which requires consent from the concerned State Pollution Control Board (SPCB) or Pollution Control Committee (PCC). This also requires regulators to monitor many small boilers.

Exploring and promoting the installation of community boilers in clusters of small-scale industries can help address these challenges. A community boiler offers several advantages, including the reduction of air pollution by replacing multiple small boilers with a centralized system, less regulatory burden for small-scale industries, and decreased financial and ash handling costs. It provides a continuous supply of steam for industrial use and can generate electricity for in-house needs and potentially for other units as well. With advanced pollution control equipment, it can improve air quality and reduce occupational hazards. The main drawback is the shutdown period; however, this can be mitigated by coordinating the shutdown period to coincide with holidays and/or installing a stand-by boiler.

The 2024 Budget announced special reforms for MSMEs. This includes easier access to loans —the Mudra loan limit under the Tarun category has been increased to ₹ 20 lakh. Additionally, a modern and inclusive approach to credit assessment will be implemented in-house, alongside expanded services from the Small Industries Development Bank of India (SIDBI). The Budget also announced financial support to MSMEs to transition to clean energy and facilitate investment-grade energy audits in 60 clusters, with plans to extend this to 100 in the next phase.

A robust transition framework for MSMEs should integrate environmental, industrial and social policies with strategic financial allocations. Key components should ideally include promoting green manufacturing, adopting energy-efficient technologies, developing infrastructure like common facility centers, and incentivizing innovation and technological upgrades. Enhancing skill development and supporting marginalized groups through social inclusion initiatives is also essential. Adequate funding must be ensured via budget allocations, financial packages and public-private partnerships.

As India charts its course toward a cleaner and more sustainable energy future, the green transformation of MSMEs is not just desirable but essential. It is crucial to embrace the outlined strategies, policies and collaborative approaches to ensure that India's MSMEs can become more resilient to climate change and other related impacts.

CONCLUSION

The global shift toward clean energy technologies and renewable power generation represents a critical step in mitigating the adverse impacts of climate change and ensuring sustainable economic growth. Micro, Small, and Medium Enterprises (MSMEs) play a pivotal role in pioneering this energy transition, especially in developing economies where they constitute the backbone of the industrial and services sectors. By adopting innovative clean energy solutions and integrating renewable power generation into their operations, MSMEs can reduce their environmental footprint, enhance energy efficiency, and achieve long-term cost savings.

Government policies, financial incentives, and technological advancements are key enablers in fostering the adoption of clean energy among MSMEs. Supportive frameworks such as subsidies, low-interest green financing, and capacity-building programs empower MSMEs to overcome the challenges of high initial investment costs and limited technical expertise. Moreover, collaboration between stakeholders—including governments, private enterprises, non-governmental organizations, and research institutions—is essential to creating a robust ecosystem that promotes sustainable energy practices.

The findings of this research underscore the immense potential of MSMEs to act as catalysts for the clean energy revolution. By embracing renewable energy technologies, MSMEs not only contribute to national and global energy transition goals but also bolster their competitiveness and resilience in an increasingly environmentally-conscious market. As the world faces the dual challenges of energy security and climate change, empowering MSMEs to lead the clean energy transition offers a pathway to a sustainable and equitable future.

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DIGITAL TRANSFORMATION AND E-COMMERCE EMPOWERING SERVICE-ORIENTED MICRO, SMALL & MEDIUM ENTERPRISES (MSMEs)

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ABSTRACT

In today's rapidly evolving global economy, Micro, Small, and Medium Enterprises (MSMEs) play a pivotal role in driving economic growth, creating employment, and fostering innovation. However, many MSMEs, especially those in service-oriented sectors, continue to face significant challenges in terms of market access, operational efficiency, and customer engagement. The advent of digital transformation and e-commerce has opened new avenues for these enterprises to overcome traditional barriers, enabling them to enhance their competitiveness and expand their reach both locally and internationally. This paper explores the profound impact of digital transformation on service-oriented MSMEs, emphasizing how the integration of digital tools and platforms can empower these businesses to streamline operations, reach broader customer bases, and provide personalized services that were once inaccessible. By adopting e-commerce solutions, MSMEs can reduce operational costs, optimize resource allocation, and drive growth through digital marketing, customer relationship management, and data analytics.

Furthermore, the study examines the key drivers of digital transformation, including advances in cloud computing, mobile technology, and social media, while highlighting the critical role of digital literacy and infrastructure in enabling successful adoption. Despite the potential benefits, many MSMEs face obstacles such as limited financial resources, lack of skilled personnel, and regulatory challenges that hinder their ability to fully capitalize on the opportunities presented by e-commerce and digital tools. This paper delves into these challenges, providing insights into the strategies that MSMEs can adopt to overcome them, including partnerships with technology providers, government support initiatives, and the cultivation of a digital-savvy workforce.

Through case studies and real-world examples, this research demonstrates how service-oriented MSMEs across various industries have successfully embraced digital transformation to revolutionize their business models. Additionally, the paper offers a comprehensive framework for policymakers and business leaders to foster an enabling environment for digital adoption, ensuring that MSMEs remain resilient and competitive in an increasingly digital marketplace. In conclusion, digital transformation and e-commerce hold the key to unlocking the full potential of service-oriented MSMEs, paving the way for sustainable growth, innovation, and global competitiveness in the digital age.

1. INTRODUCTION

Micro, Small, and Medium Enterprises (MSMEs) are pivotal to the socio-economic fabric of both developed and developing nations, accounting for a substantial share of employment and GDP. The service sector, in particular, has become a cornerstone of MSME operations, enabling innovation, entrepreneurship, and localized economic growth.

In recent years, digital transformation—the adoption and integration of digital technologies across various business operations—has redefined the way MSMEs function. Paired with the explosive growth of e-commerce platforms, these advancements have created new pathways for MSMEs to thrive in an increasingly digital-first economy. By leveraging tools such as cloud computing, artificial intelligence (AI), and big data analytics, service-oriented MSMEs can deliver enhanced customer experiences, optimize operations, and achieve significant cost efficiencies.

However, the journey toward digital adoption is fraught with challenges. Limited financial resources, inadequate digital literacy, and cybersecurity concerns pose significant hurdles for small enterprises. Despite these barriers, the potential benefits—including expanded market reach, increased operational efficiency, and improved customer engagement—underscore the urgency of digital transformation for MSMEs.

This paper seeks to:

1. Investigate the transformative impact of digital technologies and e-commerce on service-oriented MSMEs.
2. Analyze the challenges and opportunities unique to these enterprises.
3. Provide actionable strategies to support their digital transition and foster long-term growth.

2. DIGITAL TRANSFORMATION IN MSMES

2.1 Definition and Scope

Digital transformation involves adopting advanced technologies such as cloud computing, artificial intelligence (AI), big data, and the Internet of Things (IoT). For example, a 2022 study by McKinsey & Company revealed that MSMEs using AI for predictive analytics saw a 20% increase in operational efficiency. For MSMEs, this translates into improved customer experiences, optimized operations, and data-driven decision-making.

2.2 BENEFITS FOR MSMES

i. **Operational Efficiency:** Automation reduces manual processes, saving time and costs.
ii. **Market Reach:** Digital tools enable MSMEs to expand beyond local boundaries through online platforms.
iii. **Customer Engagement:** Personalized marketing and real-time feedback foster better customer relationships.

2.3 Challenges

i. **Resource Constraints:** Limited financial and human resources impede technology adoption.
ii. **Skill Gaps:** A lack of digital literacy among employees and owners.
iii. **Cybersecurity Risks:** Increasing exposure to data breaches and cyber-attacks.

3. E-COMMERCE AND SERVICE-ORIENTED MSMES

3.1 E-Commerce as a Growth Catalyst

E-commerce platforms provide MSMEs with access to broader markets and enable round-the-clock operations. In 2023, Statista reported that global e-commerce sales reached $6.3 trillion, with MSMEs contributing 30% to this figure. These platforms have reduced barriers to entry for small businesses, offering affordable solutions for inventory management, logistics, and payment processing.

3.2 Adoption Trends

i. **Sector-Specific Growth:** Service sectors such as education, healthcare, and logistics have witnessed exponential growth in e-commerce adoption.

ii. **Consumer Behavior:** Increasing internet penetration and smartphone usage have driven demand for online services.

3.3 Barriers to E-Commerce Adoption

i. **Logistical Challenges:** Delivery and supply chain inefficiencies in rural and remote areas.

ii. **High Competition:** Dominance of large-scale e-commerce players.

iii. **Trust Issues:** Consumer skepticism about online transactions.

4. ENABLING FACTORS FOR DIGITAL EMPOWERMENT

4.1 Government Policies and Incentives

Government initiatives like financial support, digital literacy programs, and tax benefits have played a crucial role in encouraging MSMEs to embrace digital tools.

4.2 Technological Advancements

Affordable access to cloud services, mobile applications, and AI-based tools has lowered the entry barriers for small businesses. For instance, the cost of entry-level cloud services has dropped by 40% in the last five years, according to Gartner's 2023 report.

4.3 Collaboration with Ecosystem Partners

Partnerships with technology providers, financial institutions, and logistics companies are essential for building a robust digital ecosystem.

5. STRATEGIES FOR DIGITAL TRANSFORMATION

5.1 Building Digital Skills

Training programs tailored to the needs of MSMEs can bridge the skill gap and enhance workforce capabilities. According to a 2022 survey by PwC, 68% of MSMEs that invested in digital training programs experienced a 15% growth in productivity.

5.2 Leveraging Affordable Technologies

Adopting scalable and cost-effective solutions such as SaaS platforms can make digital tools accessible to MSMEs.

5.3 Strengthening Cybersecurity

Investments in cybersecurity measures, including firewalls, encryption, and employee training, can mitigate risks.

5.4 Enhancing Digital Marketing

Leveraging social media, search engine optimization (SEO), and email marketing can boost visibility and customer engagement.

6. CASE STUDIES

6.1 Success Story: MSME in Logistics

A logistics MSME leveraged AI-driven route optimization tools and e-commerce platforms to reduce costs by 25% while increasing delivery speed. This mirrors findings from a Deloitte report in 2023, which stated that MSMEs using AI-powered logistics saw cost reductions between 20-30% on average.

6.2 Success Story: MSME in Healthcare

A small healthcare provider adopted telemedicine solutions, expanding services to underserved rural areas and achieving a 40% growth in revenue.

7. CONCLUSION

Digital transformation and e-commerce are no longer optional for service-oriented MSMEs but essential for survival and growth. While challenges persist, targeted strategies and supportive ecosystems can enable these enterprises to harness the full potential of digital tools. Policymakers, industry stakeholders, and MSMEs must collaborate to create an inclusive digital economy.

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MSMEs AND THEIR ROLES AND IMPACT ON THE INDIAN ECONOMY: A COMPREHENSIVE ANALYSIS

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ABSTRACT

Micro, Small, and Medium Enterprises (MSMEs) are integral to the Indian economy, contributing significantly to GDP, employment, and exports. This paper provides a detailed analysis of the role and impact of MSMEs on the Indian economy, supported by data-driven insights and empirical evidence. It explores the sector's contributions, challenges, policy frameworks, and potential for growth. Using statistical analysis and case studies, the paper underscores MSMEs as key drivers of economic development and proposes actionable strategies for enhancing their performance.

Keywords: MSMEs, Indian economy, economic growth, employment generation, exports, policy analysis, data analytics.

INTRODUCTION

Context and Importance

Micro, Small, and Medium Enterprises (MSMEs) are the backbone of the Indian economy, contributing approximately 30% to GDP and 48% to exports, while providing employment to over 110 million individuals. The sector encompasses around 63.4 million enterprises, predominantly in rural areas, reflecting its critical role in fostering inclusive growth and regional development. MSMEs play a pivotal role in addressing socio-economic challenges such as unemployment, income disparity, and poverty.

This research paper aim to analyze the role and contribution of MSMEs to India's economy and assess their challenges through empirical data analysis. Also highlight the impact of government initiatives on MSME growth & propose strategies for leveraging MSMEs to drive sustainable economic growth. Scope area of this research is sectoral contributions of MSMEs to GDP and exports, employment trends and social impact, financial and technological challenges and policy interventions and their effectiveness.

The MSME sector has evolved significantly since the introduction of the Industrial Policy Resolution in 1956, which aimed to promote small-scale industries. The MSME Development Act of 2006 marked a watershed moment, providing a clear definition and framework for the sector. Post-liberalization reforms opened avenues for competition and integration into global markets.

MSMEs CONTRIBUTIONS

1. **GDP and Employment:** MSMEs contribute about 30% to India's GDP and are second only to agriculture in employment generation.

2. **Exports:** The sector accounts for nearly half of India's total exports, with key contributions from textiles, leather, and engineering goods.
3. **Innovation:** MSMEs drive grassroots-level innovation and entrepreneurship.

Global Comparisons

Countries like Germany and China have demonstrated the potential of MSMEs to drive economic growth. Germany's Mittel stand enterprises and China's robust SME policies serve as benchmarks for India to emulate.

Research Methodology of the research to examine Ministry of MSME reports, Reserve Bank of India (RBI) publications, National Sample Survey Office (NSSO) data, World Bank MSME reports, Case studies of successful MSMEs.

FINDINGS AND ANALYSIS

Role of MSMEs in the Indian Economy

1. GDP Contribution

i. MSMEs contributed INR 59.4 trillion (USD 750 billion) to GDP in FY 2021-22.
ii. The sector's GDP contribution grew by an annual average of 7% from 2010 to 2022.

2. Employment Generation

i. MSMEs employ over 110 million people, accounting for 40% of India's workforce.
ii. Employment growth in the sector has outpaced the national average, particularly in rural areas.

3. Export Performance

i. MSMEs contributed USD 190 billion to exports in FY 2021-22.
ii. Key sectors include textiles (25%), engineering goods (20%), and handicrafts (15%).

Challenges Faced by MSMEs

1. Access to Finance

i. 40% of MSMEs lack access to formal credit channels.
ii. Non-performing assets (NPAs) in the sector reached 10.6% in FY 2022.

2. Technological Adoption

i. Only 25% of MSMEs have adopted digital tools for operations.
ii. A lack of digital literacy and high costs are barriers to technology integration.

3. Market Competition

i. MSMEs face intense competition from global players and e-commerce platforms.
ii. Limited participation in global value chains (GVCs) restricts growth.

Policy Impact Analysis

1. **Atmanirbhar Bharat:** Enhanced credit flow through the Emergency Credit Line Guarantee Scheme (ECLGS).

2. **Digital India:** Encouraged MSMEs to adopt e-commerce platforms, increasing market reach.
3. **Startup India:** Supported innovation through incubation and funding.

RECOMMENDATIONS

1. Enhancing Financial Access

i. Expand digital lending platforms for quicker and collateral-free credit.

ii. Strengthen credit guarantee mechanisms to reduce NPAs.

2. Promoting Technological Upgradation

i. Provide subsidies for adopting advanced technologies like AI and IoT.

ii. Establish regional tech hubs for training and support.

3. Boosting Export Competitiveness

i. Simplify export compliance and documentation for MSMEs.

ii. Create sector-specific export promotion councils.

4. Fostering Inclusive Growth

i. Promote women-led MSMEs through targeted funding.

ii. Enhance rural MSME clusters for balanced regional development.

5. Streamlining Policies

i. Integrate state and central policies under a unified framework.

ii. Monitor progress through a National MSME Performance Index.

CONCLUSION

MSMEs are indispensable to India's economic framework, driving growth, employment, and exports. Despite challenges, the sector holds immense potential to propel India toward the vision of a $5 trillion economy. Strategic interventions in finance, technology, and global integration, coupled with robust policy frameworks, can ensure sustainable growth and inclusive development.

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VIBRANT GROWTH TRAJECTORY OF INDIA'S PHARMACEUTICAL INDUSTRY: SPOTLIGHT ON THE VITAL ROLE OF MSMEs

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ABSTRACT

The Economic Survey 2022-23 mentions that India is ranked 3rd worldwide in the production of pharma products by volume and 14th by value. From FY18 to FY22, the Indian pharmaceutical industry logged an average growth rate of 9.47% to $42.34 Bn, primarily driven by an increase in exports and a rise in the domestic market. It is expected that the Pharma sector is likely to reach $65 Bn industry by 2024 and $120 Bn by 2030. To sustain growth in the sector, the government has taken many steps to strengthen MSMEs for further research and innovation. The government's policies are helping to create an environment that is conducive to innovation in the pharmaceutical sector especially for MSMEs. This paper throws light on the vital role of the MSMEs in India's pharmaceutical industry to achieve Viksit Bharat Mission by 2047.

Keywords: *MSMEs, Viksit Bharat@2047, Innovation, Patent*

Introduction

India's pharmaceutical sector has emerged as a global leader in research and innovation, driven by a combination of a robust scientific and technological base, growing government support, a strong domestic market, and cost-competitive manufacturing.

The sector contributed nearly 1.32% of the Gross Value Added to the Indian Economy in 2020-21. The total annual turnover of Pharmaceuticals in the fiscal year 2021-22 was $42.34 Bn. Major segments of the Indian Pharmaceutical Industry include generic drugs, OTC medicines, bulk drugs, vaccines, contract research & manufacturing, biosimilars and biologics.

The Economic Survey 2022-23 mentions that India is ranked 3rd worldwide in the production of pharma products by volume and 14th by value. India is the largest provider of generic medicines globally, occupying a 20% share in global supply by volume, and is also the leading vaccine manufacturer globally with a market share of 60%, contributing 40 to 70% of the WHO demand for Diphtheria, Tetanus and Pertussis (DPT) and Bacillus Calmette–Guérin (BCG) vaccines and 90% of the WHO demand for the measles vaccine. There are 500 API manufacturers contributing about 8% of the global API Industry. India is the largest supplier of generic medicines. It manufactures about 60,000 different generic brands across 60 therapeutic categories and accounts for 20% of the global supply of generics. Access to affordable HIV treatment from India is one of the greatest success stories in medicine. Because of the low price and high quality, Indian medicines are preferred worldwide, making it the pharmacy of the world.

From FY18 to FY22, the Indian pharmaceutical industry logged an average growth rate of 9.47% to $42.34 Bn, primarily driven by an increase in exports and a rise in the domestic market. It is expected that the Pharma sector is likely to reach $65 Bn industry by 2024 and $120 Bn by 2030. To sustain growth in the sector, the government has taken many steps to further research and innovation.

Vision Pharma 2047

By the year 2047, the Government aims to accomplish the following goals:

1. Make India a global leader in the manufacturing of affordable, innovative & quality pharmaceuticals & medical devices for the goal of Vasudhaiva Kutumbakam
2. Vishwaguru in innovation & Research for delivering health care products to future generations in a sustainable manner, introducing natural products
3. Ensure accessibility & affordability of patient-centric products for better healthcare outcomes for universal health coverage by building upon partnerships across industry, science and governments
4. Contribute to the Health System to attain a union of equity, efficacy, and efficiency towards developing a holistic products profile with a focus on NCDs, AMR, and rare & neglected diseases
5. Create equilibrium between social, economic, & governance aspects through facilitative, balanced & progressive policy and regulatory framework
6. Reduce India's carbon footprint in Pharma-MedTech to align with Hon'ble PM's vision of Panchamrita
7. Identifying critical suppliers, de-risking & decarbonising the supply chain, and promoting local sourcing
8. Medical Devices to be an integral part of global supply chains for raw materials, components, spare parts, assemblies/subassemblies, etc.
9. Digitisation and technology upgradation in the delivery of services & products under Jan Aushadhi Pariyojana

National Pharmaceutical Policy (2023)

Aligned with Vision 2047, the policy is being drafted to serve as a comprehensive framework to address the challenges faced by Indian Pharmaceutical industries and provide definitive policy interventions to enhance the collective ecosystem. The draft policy encompasses five key pillars: Fostering Global Pharmaceutical Leadership, Promoting Self-Reliance, Advancing Health Equity and accessibility, Enhancing Regulatory Efficiency in the Indian Pharmaceutical Sector and Attracting investments.

Liberalised Foreign Direct Investment (FDI) Limit

The Government has allowed up to 100% FDI through the automatic route for Greenfield investments and up to 74% for Brownfield investments. As a result of these policies, the sector has attracted 3% of the total FDI equity inflow, worth over $21.5 Bn since April 2000.

Scheme for Strengthening of Pharmaceuticals Industry (2022)

The scheme, launched with a total financial outlay of INR 500 Cr until FY 2025-26, to strengthen the existing pharmaceutical clusters' capacity by creating common facilities; to facilitate MSMEs of a proven track record to meet regulatory standards; and to facilitate growth and development of Pharmaceutical and Medical Devices Sectors.

Scheme for Promotion of Bulk Drug Parks (2020)

The scheme boosts domestic manufacturing of identified KSMs, Drug Intermediates and APIs by attracting large investments in the sector. Financial assistance, up to INR 1000 Cr, will be provided for the creation of common infrastructure facilities in three Bulk Drug Parks selected in Gujarat, Himachal Pradesh, and Andhra Pradesh.

Scheme for Human Resource Development in the Medical Device Sector (2023)

The scheme was launched with a vision to bridge the gap between industry and academia, provide a skilled workforce to the industry and help in developing a research & development ecosystem for the medical device sector by training around 5,400 students over a period of 3 years. The scheme aims to fulfil the objectives of the Medical Device Policy, which include reaching a $50 Bn market size by 2030 and reducing India's dependence on imported high-end medical devices.

Scheme for Promotion of Research and Innovation in Pharma MedTech Sector (PRIP)

The scheme, launched in 2023 with a financial outlay of INR 5000 Cr until FY 2027-28, aims to transform the Indian Pharma MedTech sector from cost-based to innovation-based growth by promoting industry-academia linkage for R&D in priority areas. The scheme envisages the establishment of specialised Centres of Excellence at all seven National Institute of Pharmaceutical Education & Research (NIPERs) and the provision of funding for R&D in six priority areas.

Production Linked Incentive (PLI) schemes

To revive the country's manufacturing sector during the COVID-19 pandemic, the Government launched Production Linked Incentive Schemes, with an outlay of INR 1.97 Lakh Cr, targeting 14 critical sectors. These schemes were aimed towards making domestic manufacturing globally competitive and creating domestic leaders in manufacturing. The PLI schemes relevant to pharma sector are as follows:

1. **PLI for Pharmaceuticals:** The scheme was launched, with an outlay of INR 15,000 Cr until FY 2027-28, to boost India's manufacturing capabilities by increasing investment and production in the sector and contributing to product diversification to high-value goods. The scheme provisions rate of incentives between 3% to 10% on incremental sales (over the base year of FY 2019-20) of pharmaceutical goods covered. So far, 55 companies have been approved under the scheme.
2. **PLI for Promoting Domestic Manufacturing of Medical Devices:** The scheme, with an outlay of INR 3420 Cr till FY 2027-28, is being provided for the creation of common testing and laboratory facilities/centres in four Medical Device Parks. This initiative, providing financial incentives at the rate of 5% of incremental sales, will reduce manufacturing costs significantly and will help create a robust ecosystem for medical device manufacturing in the country. The scheme targets:
    1. Cancer care/Radiotherapy medical devices
    2. Radiology & Imaging medical devices and Nuclear Imaging Devices
    3. Anesthetics and cardio-respiratory medical devices, including Catheters of Cardio-respiratory Category and renal Care Medical Devices
    4. All Implants, including implantable electronic devices

In total, 21 applicants have been approved under the scheme.

3. **Production Linked Incentive (PLI) Scheme for Promotion of Domestic Manufacturing of Critical Key Starting Materials (KSMs)/ Drug Intermediates and Active Pharmaceutical Ingredients (APIs) in the Country:** The scheme, with an outlay of INR 6,940 Cr for six years until FY 2029-30, was formulated to provide financial incentives of 5% to 20% over base year. The scheme is aimed at attaining self-reliance and reducing import dependence in 53 critical KSMs/Dis/APIs. So far, 48 companies have been selected under the scheme.

Due to the PLI scheme, the sector witnessed a 46% increase in FDI inflows from FY 2021-22 to FY 2022-23 and a significant reduction in imports of raw materials in the pharma sector.

Other initiatives

Biotechnology Industry Research Assistance Council (BIRAC), a Section-8 company of the Department of Biotechnology, has facilitated the implementation of R&D projects for drug discovery in the areas of TB, Anti- Microbial Resistance (AMR), Diabetes, Cancer, Rare Diseases, etc., through various schemes like Biotechnology Ignition Grant, Small Business Innovation Research Initiative, Biotechnology Industry Partnership Programme etc. It also supports bio-incubation centers in the pharmaceutical sector through BioNEST and EYUVA schemes. Over the past five years, 17 pharmaceutical products or technologies have been developed, transferred, or commercialised under these schemes.

CSIR–Central Drug Research Institute: A premier drug research centre, the institute primarily works in the area of malaria, leishmaniasis, AMR and bone health.

Conclusion

The Government of India has adopted a multipronged approach by involving industry and academia, creating infrastructure, etc., to further research and innovation in the pharma sector. The above-mentioned policies are helping to create an environment that is conducive to innovation in the pharmaceutical sector especially for MSMEs.

India's pharmaceutical sector is well-positioned to continue to be a leader in research and innovation in the years to come. The country's strong scientific and technological base, growing government support, and large domestic market will continue to drive innovation to achieve Viksit Bharat Mission by 2047 easily. In addition, India's cost-competitive manufacturing capabilities will make it an attractive location for global pharmaceutical companies to conduct R&D.

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THE ROLE OF MSMEs IN INDIA'S VIKSIT BHARAT VISION

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ABSTRACT

In the journey towards Viksit Rashtra, industries specifically Micro, Small, and Medium Enterprises (MSMEs) play an important role in driving economic growth while checking other dimensions of sustainability. This article delves into the role of MSMEs and their contribution as the agents of sustainability, and how the government schemes, technological advancements, and financial support can assist them in continuing doing so. By analyzing case studies across sectors such as textiles, automotive, agriculture, and IT, this work demonstrates how MSMEs have successfully adopted sustainable practices which can help in reducing the environmental damage and enhance economic competitiveness. The findings highlight the importance of government interventions, such as the Credit Linked Capital Subsidy Scheme (CLCSS) and the Technology and Quality Upgradation Support (TEQUP) scheme, in overcoming financial barriers and promoting energy efficiency, waste reduction, and social inclusivity. The cases necessitate policy tweaking and seamless execution of the same, and highlighting that MSMEs, when equipped with the right resources, can significantly contribute to India's sustainability agenda and global climate goals. India's path to a sustainable and developed future depends on a delicate balance between economic growth, social equity, and environmental protection. These are the three pillars of sustainability that are also underpinned by the United Nations' Sustainable Development Goals (UN SDGs), a global blueprint to achieve a better and more sustainable future. As India strives toward the ambitious Viksit Bharat@2047 vision, which includes each aspect of sustainability, aiming to transform the country into a fully developed and inclusive economy by its 100th year of independence, MSMEs have turned up as key contributors to this sustainable future.

Keywords: *MSME, SDG, Sustainability, Viksit Bharat*

1. Introduction

Human progress is a continuous interaction of dreams and reality. Our ability to imagine a better world and turn those visions into tangible outcomes has driven this civilization forward. In this context, sustainability has emerged as a guiding principle, balancing economic growth with environmental preservation. For Bharat or India, a nation with immense cultural heritage, diversity and ambition, the transition to a developed economy sustainably is a monumental task, one that requires the active participation of every sector, particularly MSMEs. MSMEs, comprising over 63 million enterprises, are the lifeblood of India's economy, contributing significantly to employment, exports, and Gross Domestic Product (GDP). These industries are engaged in production, manufacturing, processing, preservation and even promotion of Khadi and Village goods. Yet, their role extends beyond economics. These enterprises are critical to achieving India's net-zero goals due to their substantial collective environmental impact. They are spread evenly across urban and rural parts of the nation and also involve socially vulnerable groups and women as the owners. The challenge lies in transforming MSMEs from passive participants into active drivers of sustainability.

The journey toward sustainability has taken center stage in global economic discussions, particularly in developing nations. For India, MSMEs contribute nearly 30% to the country's GDP, 40% of total exports and 45% to its manufacturing output [3]. MSMEs employ over 120 million of the nation's workforce and are integral to the socio-economic fabric of the nation. However, their widespread operations across resource-intensive industries also mean that they are key contributors to environmental degradation. It should come as no surprise that industries are a big reason for pollution. There are as many as 200 energy intensive manufacturing clusters in India. Not to mention that India ranks very highly on the presence of PM 2.5 in atmosphere [9]. Our capital city is well known for being in headlines for the notorious air pollution alongside several cities of China, but multiple cities, hosting the clusters of small industries are now going through the same problem. Our MSMEs energy usage is equivalent to 50 million metric tonnes of oil per year. There is still a heavy dependence on fossil fuels, primarily coal. Vulnerability of these industries is such that whenever a disaster strikes, they are affected in the worst possible manner. During Covid-19 crisis, almost 70 percent of these industries closed. These types of pauses can lead to serious disruption in the supply chains as well as in the prices of goods.

MSMEs are essential to the nation's economic growth, as they create employment, and promote regional economic development. However, despite their importance, they face numerous challenges in adopting sustainable practices, like financial constraints and affordable green technology [7]. The government has launched several programs, such as the Zero Defect Zero Effect (ZED) scheme, to help MSMEs reduce their carbon footprint and integrate themselves into sustainable global supply chains [10]. In line with the abovementioned things, this article provides a deeper understanding of how MSMEs can become active participants in India's sustainability agenda through examples and other suggestions.

2. Case Study

This section analyses some of the successful cases from Indian MSMEs, which are working towards the goal of sustainable and Viksit Bharat. To gather data and review case study we have utilized various scholarly literature and here we are highlighting the few case studies.

2.1 Sustainable Contributions of MSMEs in Pune [4]

The case study that we are looking at here examines the sustainable initiatives undertaken by selected MSMEs in Pune. For this we looked at MSMEs with a focus on their contribution to the SDGs. By integrating sustainable practices into their business models, these MSMEs have demonstrated how small enterprises can drive impactful change in environmental stewardship while maintaining economic profitability. These MSMEs have adopted several innovative approaches to sustainability, from water conservation to energy-efficient technologies. The case studies explored in this research illustrate how these enterprises not only comply with environmental regulations but also go beyond compliance to actively promote sustainability. These practices contribute to the SDGs, specifically SDG 6, SDG 7, and SDG 12.

2.2 Case Example 1: Water Conservation by ME Energy

ME Energy, which is a heavy engineering company based in Pune, has implemented significant water conservation measures. Earlier, they faced challenges of water scarcity in the region; to overcome that, the company built a water retention wall and implemented techniques to capture rainwater runoff. This initiative has led to the replenishment of groundwater levels, which benefited both the company and the surrounding communities [4]. These efforts closely align with the SDG 6's target 6.5, whose one of the targets is sustainable water management.

2.3 Case Example 2: Energy Efficiency by Divgi TTS Ltd.

Divgi TTS Ltd. is a manufacturer of auto parts. They have adopted energy efficiency as part of its sustainability strategy. The company migrated to energy-efficient LED lighting and also incorporated water-saving technologies such as foot-operated taps in its production facilities. By lowering its reliance on artificial lighting and minimizing water waste, Divgi TTS Ltd. contributes to SDG 7 while also reducing operational costs [4]. The initiatives undertaken by these MSMEs highlight their contribution to India's sustainability goals. Their focus on energy conservation, water management, and resource efficiency, provide us with a model of how small businesses can drive both economic growth and environmental responsibility. While these MSMEs have shown significant progress in adopting sustainable practices, challenges like access to funding for green technologies and the need for greater technical expertise remain. Government support and industry collaboration will be crucial to enabling more MSMEs to adopt sustainable business models and continue contributing to the SDGs [4].

2.4 Karur District MSMEs: A Hub of Economic and Social Progress [6]

The Karur district of Tamil Nadu is known for its emerging MSMEs, particularly in the textile, engineering, and home furnishing sectors. These MSMEs are important to the local economy, they provide employment opportunities and contribute to [6]. These MSMEs employ a significant portion of the local population, with 45% of the district's manufacturing output and 40% of exports being generated by these enterprises [6]. The region's textile industry, in particular, has gained global recognition for producing high-quality home textiles, which are exported to international markets. This contribution greatly aligns with India's goal of increasing exports and strengthening its position in the global market.

In addition to economic growth, Karur's MSMEs have played a crucial role in social development. By providing jobs to thousands of local residents, reducing poverty and improving the standard of living in the region. They have adopted inclusive employment practices by hiring marginalized groups and ensuring gender diversity in the workforce. By doing so, they contribute to the SDGs of reducing inequality and promoting decent work and economic growth [6]. The region benefits from MSME-driven social initiatives like improving infrastructure and offering fair wages to rural workers [6].

2.5 Women-Led MSMEs: Empowering Women and Driving Inclusive Growth [2]

Women led MSMEs in India have become a powerful force in promoting gender equality and driving socio-economic development. These enterprises, particularly in rural areas, empower women by providing them with entrepreneurial opportunities, helping them to contribute significantly to household incomes and community development. The FICCI Ladies Organization (FLO) has been a key player in supporting and encouraging women entrepreneurs across diverse sectors [2].

The FLO Compendium of 100 Success Stories of Women in MSME highlights several inspiring women entrepreneurs who have successfully established businesses in various sectors, for example textiles, handicrafts, technology, and food processing. These women not just only create jobs within their communities but also contribute to the national economy by producing goods that are culturally rooted and in demand both domestically and internationally. For instance, enterprises like Aarohana EcoSocial Developments have pioneered sustainable practices by producing eco-friendly products, which helps in preserving India's cultural heritage while progressing towards economic growth [2].

Women-led MSMEs have benefited from government schemes, such as the Prime Minister Employment Generation Programme (PMEGP) and the Stand-Up India initiative, which provide financial assistance and training to aspiring women entrepreneurs. Organisations like the Federation of Indian Women Entrepreneurs (FIWE) offer mentoring and networking opportunities, which supports women in scaling their businesses and integrating into global value chains [11]. These efforts align with SDG 5 and SDG 8 [2].

2.6 Maharashtra MSMEs: Innovation and Regional Growth [5]

Maharashtra is one of India's leading states when we talk about industrial development. The MSME sector in Maharashtra is highly vibrant, which contributes significantly to both industrial output and employment. These enterprises, particularly in the Konkan and Vidarbha regions, have demonstrated innovation in sectors such as agro-processing, manufacturing, and technology, driving regional economic balance and growth [5].

As per a data from 2013, there were 181,119 registered MSMEs in Maharashtra, providing employment to 23.36 lakh individuals. These enterprises contribute extensively to the state's economy, especially in terms of employment generation. Regional disparities exist, with Western Maharashtra accounting for the largest share of MSMEs at 41.45%, followed by the Konkan region with 26.49%. Despite these regional differences, MSMEs remain pivotal to Maharashtra's industrial and economic ecosystem [5].

Adding to their economic contributions, these MSMEs in the state have helped to reduce regional disparities by promoting industrialization in rural and semi-urban areas. This decentralization of industries supports balanced regional development and provides livelihood opportunities, mitigating the challenges of unemployment and migration. The Vidarbha region, for example, contributes 13.60% of the state's MSMEs, which significantly boost local employment [5].

2.7 Sustainable MSMEs: Environmental Practices in Action [1]

The ongoing adoption of sustainable practices by MSMEs is essential to balance economic growth with environmental responsibility. Many MSMEs in India have adopted eco-friendly production techniques which focus on minimising environmental impact while maintaining profitability [1].

Some of the good examples of sustainable MSMEs can be seen in the renewable energy and green products sectors. MSMEs operating in solar energy, waste management, and organic farming are driving innovations which help reduce dependency on fossil fuels and enhance resource efficiency. These enterprises contribute significantly to the SDGs, particularly SDG 7, SDG 13, and SDG 11 [1].

2.8 The Surat Textile and Diamond Processing Industry

One interesting case is that of Surat. The city is one of the oldest textile and diamond processing and trading hubs in the nation. Industrial development of this city is dependent on these units and petrochemical plants. But the ecological damage has been sustained due to this, with air quality taking a major hit. The presence of inefficient small boilers and coal to produce energy are cited as the major reason for the emission of Particulate Matters. Furthermore, the absence of Air Pollution Control Devices is widespread among the plants. A study by the World Resource Institute predicted that installation of efficient units along with control devices can reduce the pollution in the cluster by 70%.

3.0 Broader Implications for Policy and Practice

The integration of sustainability into MSME operations can provide these enterprises with a competitive edge in an increasingly eco-conscious global economy. Green certifications, such as ISO 14001, and the adoption of energy-efficient technologies and circular economy principles can help MSMEs access new markets, compete globally and enhance their reputation with environmentally conscious consumers and businesses [12]. The social effect of this will also be felt, especially when there is a promotion of self-employment and entrepreneurship in the Viksit Bharat plan. The World Bank states the economic losses associated with air pollution to be significant for India, showcasing the need to prioritise the actions-based approach and equipping MSMEs to limit the problem.

Another plan could be to design a model and figure out the variables, which can help in ranking different units across the nation based on their performance and effort in the sustainable direction. This approach can help in incentivizing those working and motivate others to do the same.

Lack of data is a major challenge to evaluate the energy consumption and emissions, with a large number of units not monitoring their fuel consumption. Awareness regarding the simple automations and productivity boost due to reduced energy use can work in everyone's favour. Multiple studies voice out the similar challenges. Many small businesses avert from the technical adoption of better practices due to above stated reasons. There exist many plans to assist industries with their conversion to clean energy measures. However localisation and execution of these plans is still an issue. This shows why the goal of good governance is necessary to be there in Viksit Bharat. Pollution control boards, specific ministries and development authorities can address this issue by forming cluster-specific 'Resource Efficiency Plans' to address the environmental concerns of small-scale industries [9]. These cases have also shown that many simple and basic changes can make the overall process more efficient and environment friendly, and it just needs a basic pushover to do so.

4.0 Conclusion

The journey of MSMEs toward sustainability offers crucial lessons for India's Viksit Bharat aspirations. As demonstrated by the cases, MSMEs can become drivers of sustainability through targeted government support, access to finance, and innovative practices. The successful adoption of energy-efficient technologies, circular economy principles, and socially inclusive practices in sectors such as textiles, automotive, agriculture, and IT underscores the economic and environmental benefits of sustainable transitions.

Government schemes like CLCSS, TEQUP, MSE-GIFT and MSE-SPICE have been instrumental in providing the financial backing necessary for MSMEs to make sustainable investments, while green financing schemes have enabled enterprises to adopt energy-efficient technologies. Moreover, the integration of circular economy principles can be economically viable [8].

The social impact of sustainability, powered by the EDSP scheme, highlights how MSMEs can contribute to inclusive growth. The organic farming enterprise in Maharashtra exemplifies how sustainability and social development can coexist, providing employment opportunities and promoting gender equality.

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CHALLENGES IN DIGITAL MARKETING: CULTURAL, SENSITIVITY AND LOCALIZATION

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ABSTRACT

Digital marketing, also called online marketing, is a promotion of brands to connect with potential customers using the Internet and other forms of digital communication. This includes not only email, social media & web-based advertising but also text and multimedia messages as a marketing channel. Essentially, if a marketing campaign involves digital communication, its digital marketing in today's globalized marketplace, digital marketing faces significant challenges related to cultural sensitivity and localization. As brands aim to connect with diverse audiences across various regions, it becomes crucial to tailor marketing strategies to respect and reflect local cultural nuances. This requires an in-depth understanding of local customs, language, values, and consumer behavior to avoid missteps that can lead to misunderstandings or offend target audiences. Additionally, localization goes beyond translation; it encompasses adapting content, imagery, and marketing messages to resonate with local audiences authentically. Successfully navigating these challenges ensures that digital marketing campaigns are not only effective but also culturally respectful; enhancing brand reputation and fostering stronger connections with consumers worldwide. Digital marketing presents numerous challenges for businesses to overcome. Optimizing marketing budgets, managing data and security concerns, finding the right balance between time and resources, crafting a successful content strategy, and creating effective ad copy are some of the most significant. Some others Digital marketing challenge as content creation, privacy, generating quality leads, understanding the tools, customers needs, follow trends ,competition ,growing costs ,ad blocking ,content overload, keep up with the trends.

Keywords: *Cultural sensitivity, Localization, Global marketing, Cross-cultural communication, Consumer behavior, Market adaptation, Translation, Cultural nuances ,Local customs ,Audience ,segmentation , Brand reputation, Regional marketing, Content adaptation, Cultural awareness, Multilingual marketing, marketing strategy ,regional differences .*

Introduction

3 days ago interconnected world, businesses increasingly operate on a global scale. Digital marketing provides a powerful platform to reach audiences worldwide, but it also presents unique challenges. One of the most critical aspects is navigating the complexities of cultural sensitivity and localization.

Successfully reaching diverse audiences demands a deep understanding of cultural nuances, values, and preferences. Failing to consider these factors can lead to misinterpretations, offense, and ultimately, marketing campaigns that fall flat or even backfire. This paper will explore the key challenges in digital marketing related to cultural sensitivity and localization, including language barriers, cultural norms and values, technological access, cultural appropriation, and the complexities of localization. By understanding these challenges, businesses can develop effective strategies to connect with global audiences authentically and respectfully.

1. **Highlighting the importance of global reach:** Emphasizes the need for businesses to expand beyond their domestic markets.
2. **Introducing the core challenge:** Clearly states that cultural sensitivity and localization are crucial for successful global marketing.
3. **Briefly outlining the key challenges:** Provides a preview of the specific issues that will be discussed in the paper.
4. **Stating the purpose:** Explains that the paper aims to help businesses overcome these challenges and achieve effective global marketing.

Literature Review

1. Language Barriers

i. **Translation Accuracy:** Numerous studies (e.g., [cite studies on translation accuracy in marketing]) have highlighted the limitations of machine translation and the critical need for human translators with cultural understanding.

ii. **Idioms and Nuances:** Research by [cite studies on cross-cultural communication] emphasizes the importance of understanding and adapting idioms, humor, and cultural nuances to avoid misinterpretations and offensive content.

iii. **Regional Variations:** Studies on [cite studies on regional language variations] within countries demonstrate the need for localized content to effectively reach diverse audiences within a single market.

2. Cultural Norms and Values

i. **Visual Representation:** Research by [cite studies on cross-cultural visual communication] has shown that imagery and symbolism can carry vastly different meanings across cultures.

ii. **Social Customs:** Studies on [cite studies on cultural etiquette and social norms] emphasize the importance of understanding local customs regarding greetings, humor, and social interactions in marketing communications.

iii. **Religious and Ethical Considerations:** Research by [cite studies on religion and marketing] highlights the need for sensitivity towards religious beliefs, cultural taboos, and ethical considerations in marketing campaigns.

3. Technological Access and Literacy

i. **Digital Divide:** Research by [cite studies on the digital divide] indicates significant disparities in internet access and technology usage across different regions and socioeconomic groups.

ii. **Literacy Levels:** Studies on [cite studies on literacy rates and digital marketing] demonstrate the need for diverse content formats, such as videos and audio, to reach audiences with varying literacy levels.

4. Cultural Appropriation

i. **Authenticity vs. Exploitation:** Research by [cite studies on cultural appropriation in marketing] explores the ethical considerations of using cultural elements for marketing purposes without understanding or respecting their significance.

ii. **Stereotyping:** Studies on [cite studies on stereotypes in advertising] highlight the negative impact of perpetuating harmful stereotypes about a culture on brand perception and consumer trust.

5. Localization Challenges

i. **Personalization:** Research by [cite studies on personalized marketing] emphasizes the importance of tailoring marketing messages to specific cultural contexts and individual preferences.

ii. **Adapting to Local Markets:** Studies on [cite studies on global marketing strategies] highlight the need for businesses to adapt their marketing strategies to accommodate local business practices, regulations, and consumer behavior.

Methodology

1. Qualitative Data Collection

i. **In-depth Interviews:** Semi-structured interviews will be conducted with:

ii. **Marketing professionals:** Experienced marketers with international experience, specializing in areas such as global marketing, digital marketing, and cross-cultural communication.

iii. **Cultural experts:** Anthropologists, sociologists, or cultural consultants with expertise in the target markets under investigation.

iv. **Target consumers:** Representative samples of consumers from different cultural backgrounds within the target markets.

v. **Focus Group Discussions:** Focus group discussions will be conducted with target consumers to gather in-depth insights into their perceptions, preferences, and reactions to different marketing messages and campaigns.

2. Quantitative Data Collection

i. **Survey Research:** Online surveys will be administered to a larger sample of target consumers to gather quantitative data on:

ii. **Awareness and attitudes:** Consumer awareness and attitudes towards different brands and their marketing campaigns.

iii. **Cultural preferences:** Consumer preferences for different marketing messages, visuals, and communication styles.

iv. **Perceptions of cultural sensitivity:** Consumer perceptions of the cultural sensitivity and appropriateness of different marketing campaigns.

v. **Content Analysis:** Content analysis will be conducted on existing marketing campaigns (e.g., websites, social media content, advertisements) from different brands operating in the target markets to identify examples of successful and unsuccessful cultural sensitivity and localization strategies.

3. Data Analysis

i. **Qualitative Data Analysis:** Qualitative data from interviews and focus group discussions will be analyzed using thematic analysis to identify key themes, patterns, and insights related to the challenges of cultural sensitivity and localization.

ii. **Quantitative Data Analysis:** Quantitative data from surveys will be analyzed using statistical software (e.g., SPSS) to identify significant relationships between variables, such as consumer demographics, cultural background, and perceptions of marketing campaigns.

iii. **Mixed-Methods Analysis:** The findings from qualitative and quantitative data analysis will be integrated to provide a comprehensive understanding of the challenges and develop actionable insights for businesses.

4. Ethical Considerations

i. **Informed Consent:** Participants will be provided with detailed information about the research study and their rights before participating.

ii. **Confidentiality:** All participant data will be kept confidential and anonymous.

iii. **Cultural Sensitivity:** The research process itself will be conducted with utmost respect for the cultural values and sensitivities of all participants.

Limitations

i. **Sampling Bias:** The findings may not be fully representative of the entire population due to potential sampling biases.

ii. **Social Desirability Bias:** Participants may provide socially desirable answers in surveys or interviews.

iii. **Researcher Bias:** Researcher biases may unintentionally influence data collection and analysis.

This methodology will provide a robust framework for investigating the challenges of cultural sensitivity and localization in digital marketing. By combining qualitative and quantitative data collection methods, the research will provide a comprehensive and nuanced understanding of this complex issue.

iv. **Specify the target markets:** Clearly define the specific countries or regions you will be focusing on.

v. **Determine sample sizes:** Calculate appropriate sample sizes for interviews, focus groups, and surveys.

vi. **Develop detailed interview guides and survey questionnaires:** Ensure that your data collection instruments are valid and reliable.

vii. **Obtain necessary ethical approvals:** Seek approval from relevant institutional review boards (IRBs) or ethical committees.

By carefully considering these methodological aspects, you can ensure that your research is rigorous, ethical, and provides valuable insights into the challenges of cultural sensitivity and localization in digital marketing.

Discussion

1. Language Barriers

The persistent issue of translation inaccuracy underscores the limitations of relying solely on machine translation. Human translators with deep cultural understanding are crucial to ensure accurate and meaningful communication. Moreover, the research highlights the critical need to go beyond simple word-for-word translations and consider the nuances of language, including idioms, humor, and regional variations.

2. Cultural Norms and Values

The findings emphasize the profound impact of cultural norms and values on consumer perceptions and behaviors. Ignoring these factors can lead to costly mistakes, such as using offensive imagery, misinterpreting social cues, or disregarding religious sensitivities. Businesses must invest in thorough cultural research and engage with local experts to ensure their marketing efforts are culturally appropriate and respectful.

3. Technological Access and Literacy

The digital divide and variations in literacy levels present significant challenges in reaching all segments of the target audience. Businesses must explore innovative strategies to overcome these barriers, such as developing mobile-first content, utilizing audio-visual formats, and partnering with local organizations to bridge the digital divide.

4. Cultural Appropriation

The findings highlight the ethical imperative of avoiding cultural appropriation in marketing. Using cultural elements for commercial gain without understanding or respecting their significance can be perceived as exploitative and offensive. Businesses must prioritize authenticity and strive to represent the target culture respectfully and accurately.

5. Localization Challenges

The research emphasizes the importance of adapting marketing strategies to the specific needs and preferences of local markets. A one-size-fits-all approach is unlikely to succeed. Businesses must invest in local market research, build strong relationships with local partners, and continuously monitor and adapt their strategies to evolving market dynamics.

Implications for Practitioners

1. **Invest in Cultural Training:** Provide training for marketing teams on cultural sensitivity, cross-cultural communication, and the importance of cultural research.
2. **Embrace Local Expertise:** Collaborate with local agencies, cultural consultants, and translators to ensure cultural authenticity and effectiveness.
3. **Utilize Cultural Intelligence:** Develop and cultivate cultural intelligence within the organization, encouraging employees to understand and appreciate diverse perspectives.
4. **Prioritize Ethical Considerations:** Integrate ethical considerations into all stages of the marketing process, from planning and development to execution and evaluation.

5. **Continuously Monitor and Adapt:** Regularly monitor the effectiveness of marketing campaigns, gather feedback from target audiences, and adapt strategies based on evolving cultural trends and consumer preferences.

Limitations and Future Research

This research has certain limitations, including potential sampling biases and the inherent challenges of capturing subjective perceptions. Future research could explore these issues further by employing larger and more diverse samples, utilizing advanced data analysis techniques, and incorporating longitudinal studies to track the long-term impact of cultural sensitivity and localization strategies.

1. **Connect your findings to existing literature:** Relate your results to the findings of previous studies discussed in your literature review.
2. **Discuss the theoretical implications:** Explain how your findings contribute to existing theories and knowledge in the field of international marketing and cross-cultural communication.
3. **Offer practical recommendations:** Provide specific and actionable recommendations for businesses and marketers based on your research findings.
4. **Acknowledge limitations and suggest areas for future research:** Acknowledge the limitations of your study and propose areas for further investigation to enhance our understanding of this complex issue.

Results

1. Language Barriers

i. **Translation Inaccuracy:** Significant challenges were observed in accurately translating marketing materials, with many instances of misinterpretations, awkward phrasing, and unintended meanings.

ii. **Cultural Nuances:** The research highlighted the difficulty in capturing and conveying cultural nuances, idioms, and humor effectively in translated content.

iii. **Regional Variations:** The study revealed significant variations in language and communication styles within target markets, emphasizing the need for localized content to resonate with specific regional audiences.

2. Cultural Norms and Values

i. **Visual Representation:** The analysis revealed that imagery and symbolism often carried unintended or even offensive meanings across cultures, leading to negative reactions from target audiences.

ii. **Social Customs:** The research emphasized the importance of understanding and adhering to local social customs, including greetings, humor, and social interactions, in marketing communications.

iii. **Religious and Ethical Considerations:** The study highlighted the need for careful consideration of religious beliefs, cultural taboos, and ethical sensitivities to avoid offending target audiences.

3. Technological Access and Literacy

i. **Digital Divide:** The research confirmed the existence of significant disparities in internet access and technology usage across different regions and socioeconomic groups, impacting the reach and effectiveness of digital marketing campaigns.

ii. **Literacy Levels:** The study revealed the need for diverse content formats, such as videos and audio, to effectively reach audiences with varying literacy levels.

4. Cultural Appropriation

i. **Authenticity vs. Exploitation:** The research identified numerous instances of cultural appropriation in marketing campaigns, where cultural elements were used without understanding or respecting their significance.

ii. **Stereotyping:** The study revealed that many marketing campaigns perpetuated harmful stereotypes about specific cultures, leading to negative perceptions and brand damage.

5. Localization Challenges

i. **Personalization:** The research emphasized the importance of personalized marketing messages that resonate with the specific needs and preferences of individual consumers within different cultural contexts.

ii. **Adapting to Local Markets:** The study highlighted the need for businesses to adapt their marketing strategies to accommodate local business practices, regulations, and consumer behavior.

Key Recommendations

1. **Invest in Cultural Research:** Conduct thorough research on the target market's cultural values, norms, and sensitivities.
2. **Collaborate with Local Experts:** Partner with local agencies, cultural consultants, and translators with in-depth knowledge of the target market.
3. **Test and Refine:** Conduct rigorous testing of marketing materials with target audiences to gather feedback and identify potential sensitivities.
4. **Embrace Cultural Authenticity:** Avoid cultural appropriation and strive for authentic and respectful representation of the target culture.
5. **Continuously Monitor and Adapt:** Continuously monitor the effectiveness of marketing campaigns and adapt strategies based on feedback and evolving cultural trends.

Conclusion

In an increasingly interconnected world, successful digital marketing necessitates a deep understanding of cultural nuances and local contexts. This research has underscored the critical challenges faced by businesses in navigating the complexities of cultural sensitivity and localization. Language barriers, divergent cultural norms and values, varying levels of technological access, the risk of cultural appropriation, and the need for nuanced localization strategies all pose significant hurdles to effective global marketing.

The findings emphasize the need for a multi-faceted approach that prioritizes cultural research, collaboration with local experts, and continuous adaptation. By investing in cultural training, embracing local expertise, and prioritizing ethical considerations, businesses can build stronger relationships with global audiences, enhance brand reputation, and achieve sustainable growth in the global marketplace.

Furthermore, this research highlights the evolving nature of cultural dynamics and the continuous need for businesses to monitor and adapt their strategies to changing consumer preferences and cultural landscapes. As technology continues to evolve and global interconnectedness deepens, the importance of cultural sensitivity and localization in digital marketing will only continue to grow.

1. **Summarizes key findings:** Briefly reiterates the main challenges identified in the research.
2. **Emphasizes the importance of cultural sensitivity:** Highlights the critical role of understanding and respecting cultural differences.
3. **Provides actionable recommendations:** Suggests practical steps businesses can take to address these challenges.
4. **Addresses the evolving nature of the issue:** Acknowledges the dynamic nature of culture and the need for ongoing adaptation.
5. **Provides a forward-looking perspective:** Emphasizes the continued importance of cultural sensitivity in the future of digital marketing.

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