CHAPTER – II

REVIEW OF LITERATURE
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The review of various studies done in this chapter provides a broad spectrum about the problems and challenges faced by micro, small and medium enterprises which would be helpful to design the appropriate methodology for the present study.

Various empirical studies have been conducted from time to time to examine the different aspects of growth pattern and performance of small scale industrial sectors in India and in this context; important studies are reviewed below chronological order. For this purpose, the chapter has been divided into two divisions like Indian study and international study. Indian Study highlights the problems and growth of the MSME at all India level, international study related to the impact of globalization, Information communication technology and Human resource development of micro, small and medium enterprises at International level. However, conclude in nature and pinpoints the rationale of undertaking the present study.

INDIAN STUDIES

Prasad, C. S. (2006)\(^1\) analyzed that the development of an efficient MSME lending environment requires that economic agents involved i.e. the lenders and borrowers should receive incentives to make correct economic choices. For this, they must have the relevant information needed to make such decisions. Available evidence suggests that in the case of lending to even larger small enterprises, these requirements are not always met. In market led economy, in the presence of information asymmetries, prospective lenders may not be able to correctly appraise true value of the project proposals. The protection of Creditor’s right is of particular importance in the case of bank finance. At the same time, government intervention is required for micro enterprises and smaller among small enterprises. Since in the normal commercial operation of the commercial banks, there is practically not much scope for this category of enterprises. This study concludes that, the task of financing MSMEs is challenging but not unachievable. The sector needs proper attention since it has the potential to generate large scale of employment and also emerge as the engine of growth.

Ashish Kumar, Vikas Batra and Sharma, S.K. (2009)\(^2\) analyzed that the growth and development of the Indian small scale sector since opening of the economy in 1991. It also looks into the present scenario of MSMEs and the challenges they face like lending, marketing and license issues. It concludes that MSMEs as a major contributor towards growth of domestic economy and employment generation should get adequate support in terms of policy framework, incentives and other relevant aids. Steps like providing infrastructural facilities, developing various industrial parks and technology incubators under MSME cluster development programs, creating networks of organizations that help provide training to skilled workforce to improve productivity, encourage entrepreneurship and competency in management, funding R & D investments, technology advancement may work for the betterment of the sector. Indian MSMEs are finding it difficult to sell their products in the domestic and international markets because of increasing competition. To make their products globally competitive, Indian MSMEs need to up-grade their technology and put more emphasis on innovation.

Sonia and Dr. Rajeev Kansal, (2009)\(^3\) endeavored to analyze the impact of globalization on the growth of small scale industries. The comparative analysis of growth pattern of key parameters between Pre and Post –globalization periods reveals that the ‘globalization’ had a negative impact on the growth of small scale sector measured in terms of number of units, production, employment and exports. A fall in the rate of growth of number of units and employment generation in post liberalization period is a matter of serious concern for the policy-makers and planners. The result showed that globalization is almost a complete failure on growth front. To conclude, that the recent trend of growth of SSI sector showed the trust of Indian economy on globalization and liberalization, which has failed to render a positive impact on the growth of Indian Small scale sector. No indicator shows the positive impact, in each case the average growth rate is less in post-globalization period than pre-globalization period.

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Priti Goswami, (2011) views that various problems of entrepreneurial education of small scale enterprises. Small scale industries are regarded as the driving force of economic growth, job creation and poverty reduction in developing countries many enterprises are facing a major problem like lack of reliable and stable economic infrastructure, reduced credit inflow and technological obsolescence would have led inferior quality and low productivity. Technology development should be emphasizing in the light of global competition. Financial infrastructure need to be broadened and adequate inflow of credit to the sector be ensured taking into consideration the growing investment demand. If education sector is restructured and entrepreneurship subject is given importance then Madhya Pradesh would be best industrial area of the country.

Sonal, S. Yadav and Dr. Mita H. Suthar, (2011), considered that the significant growth trends in the production and export earnings of the MSMEs; the most important challenge is to recognize the relative significance of labour and capital productivity. At the same time this sector has also been facing some problems which relate to appropriate choice of technology, poor and inadequate infrastructure, low level of technology, limited exportability, wage and labour welfare issues, labour skill building, etc. All these factors hinder the progress of Indian MSMEs. In order to enable this sector to avail the opportunities and play its role as an engine of growth, it is essential to address these issues effectively and urgently. These enterprises need to be supported through appropriate programs with focus on skill development and technology upgradation for improving the factor productivity and quality of their product and exports.

Amudhan, S, Sharmila, A. and Poornima, J. (2012), study focuses on SSIs contribution to the economy in India and to find out the strengths, weaknesses, threats and opportunities of Indian Small scale Industries and to know the impact of globalization after liberalization of small scale industries in India. The result showed that globalization is almost a complete failure on growth front. To conclude, that the recent trend of growth of SSI sector showed the trust of Indian economy on

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globalization and liberalization, this has failed to render a positive impact on the growth of Indian Small Scale Sector.

Danabakyam, M. and Swapna Kurian, (2012), Study reveals that Women Entrepreneurship play a prime role in Industrial development. It has played very vital role in fulfilling the socio-economic objectives of the nation. Thus MSME is playing a remarkable role in widening the base of industrial entrepreneurship in India. The main reason of success factors to become a women entrepreneur is achievement motivation and human relation. The contribution of the women entrepreneurs with the help of MSME to our national economy cannot be underscored. India has always been a land of entrepreneurs and occupies a strategic position in the Indian Economy.

India Brand Equity Foundation, (2012) conducted a survey pertaining to SME’s role in India’s manufacturing sector through this study one-sixth of India’s total GDP, is manifesting itself in various quarters of the economy. Government is trying to push it forward with a number of plans to foster technology, innovation and quality in SMEs in order to improve the credit disbursal to them. Indian SME’s are increasingly organizing themselves in clusters, which improve their access to business associations are technical assistance providers. It also helps in building inter-firm cooperation that adds to productivity and innovation. The clusters already account for 40 per cent of the nation’s industrial output and 35 per cent of direct exports. The efficacy of clustering in SME space will further increase in future as clusters continue to leverage benefits of spatial proximity.

Globally, successful instances of SMEs have been witnessed in Germany and Italy. Germany’s SME units, called Mittelstand companies, emerged as the key contributor to the economy due to the government initiative of bringing together the companies and education institutions. This policy worked as a win-win situation for both companies who adopted concepts towards lean manufacturing and also the students enabling them to improve their technical skills from hands on experience. Indian’s manufacturing SME sector is well equipped to grow, and the fundamental drivers are in the right place. Continued empowerment of SMEs will enable them to attain high and sustainable growth in the long-run.

8 India Brand Equity Foundation, “SMEs’ role in India’s Manufacturing Sector”, www.ibef.org.
Pralay Dey, (2012)\(^9\) focuses on various hindrances for start up of Micro and Small enterprises. The major hindrances are lack of motivation and experience, business as adventure, becoming your own Boss and importance of family support. He concluded that a budding entrepreneur needs comprehensive and integrated range of support, including space, business support services, clustering and networking opportunities, Finance, Technology and Marketing assistance. Realizing the challenges of the entrepreneurship, Government, Research Institutions, Private sector and various Universities have geared up and established many Business/ Technology Incubators with an aim to nurture the start-up small enterprises. Various Governments have also initiated several schemes and devised incentives to assist the entrepreneurs. Entrepreneurs intend to start their business with minimum risk and investment. Innovation, Growth and sustenance of the business are another set of challenges for them. An incubator addresses these challenges and nurtures the development of entrepreneurship, helping them survive during start-up periods, when they are vulnerable.

Reetu Sharma, (2012)\(^10\), the present study is an attempt in that direction with the main purpose to locate the problems and practices prevalent in these industries. It is a study of problems and prospects of exporting and non-exporting small scale industries. This study recommends the total installed production capacity in small scale industrial sector in Haryana in averagely underutilized. It is also abundantly clear from the present study that the marketing aspects have been largely neglected and concerted efforts for stimulating demand have not been made either by SSI units or state level agencies. There should be a Central All India Marketing Federation with its branches in the State to assign major responsibility for marketing of products of such small scale industrial units, which willingly its members. This can be done on the pattern of Khadi Gramodyog Commission which has been rendering commendable services to the Khadi Industries in the Country.

To Conclude, the ultimate objective of prosperity and happiness of the people can be achieved only through expansion of economic activities, on a massive scale in


Tiny, small and large sectors on the basis of the rationally of their complementarities. Therefore, need of the hour is strong and flourish small scale sector

Indian economy will become capable to fulfill needs of the huge population as well as to provide sound base for Industrial progress only with the help of strong small scale sector. For strong small scale sector, there is need of primitive measures rather than protective measure.

**Sekar, M. and Ganesan, R., (2012)**, primary objective of the Small Scale Industrial Policy during the nineties was to impart more vitality and growth – impetus to the sector to enable it to contribute its mite fully to the economy, particularly in terms of growth of output, employment and exports. The sector has been substantially licensed. Further efforts would be made to deregulate and de-bureaucratize the sector with a view to remove all fetters on its growth potential, reposing greater faith in small and young entrepreneurs. All Statutes regulations and procedures were reviewed and modified, wherever necessary, to ensure that their operations did not militate against the interests of the small and village enterprises.

To improve access to latest information automation of the Ministry of SSI Office of DC (SSI), Directorate of Industries and District Industries Centers have been set up.

**Shiralashetti, A., (2012)**, analyzed that to empower the MSME sector to take its rightful place as the growth engine of Indian economy, it is necessary to support the MSMEs, educate and empower them to make optimum utilization of the resources, both human and economic, to achieve success. The MSMEs need to be educated and informed of the latest developments taking place globally and helped to acquire skills necessary to keep pace with the global developments.

**Sudha Venkatesh and Krishnaveni Muthiah, (2012)**, viewed that the role of SMEs in the Industrial sector is growing rapidly and they have become a thrust area for future growth. The Indian market is growing and the Indian industry is making rapid progress in various industries like manufacturing, food processing, textile and garments, retail, precision engineering, information technology,

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pharmaceuticals, agro and service sectors. Under the changing economic scenario the SMEs have both the opportunities and challenges before them.

The support given by the national and the state governments to the SMEs is not adequate enough to solve their problems. However for the sector to fully utilize its potential for further development. It is quite evident that, nurturing this sector is essential for the economic well-being of the nation.

Suresh, P. and Akbar Mohideen, M. (2012)\textsuperscript{14}, analyzed the SME sector is the exhortation in the business world and forms the backbone of the economy, especially in a developing country such as India. This sector contributes 8 percent of the country’s GDP, 45 per cent of the manufactured output and 40 per cent of its exports. The MSMEs provide employment to about 60 million persons through 26 million enterprises. The geographic distribution of the MSMEs is also more even. Thus, MSMEs are important for the national objectives of growth with equity and inclusion. Therefore, in order to develop this sector properly there is a need for government agencies, regulators and financing agencies to come together. Banks should come out of the traditional asset based lending mind set, while devising cash flow collateral – based lending models, and simplified assessment/appraisal models must be introduced. SMEs need transaction, banking and trade finance services in addition to lending and for this banks need to offer sophisticated products to the SMEs in a simplified manner. SMEs look of convenience and simplicity in their banking requirement and these should be delivered through the effective use of technology by the banks. Banks should view lending to the SMEs as a profitable avenue rather than an avenue for forced lending.

Abdul Naser. V (2013)\textsuperscript{15}, focuses on the contributions made by MSMEs. Today, MSMEs are operating across the sectors utilizing available domestic resources and producing more than 6000 quality products. This sector contributes a formidable portion to the nation’s GDP, export and industrial production. It also aims to analyze the present status and future prospectus of the sector in India. This study concludes that the MSME sectors contributes greatly to the overall balanced growth of the

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economy and it is suggested that the government should take measures to create environment which is conductive to smooth operation of the units.

**Antima Agarwal (2013)**, brought out that the Small Industries Development Bank of India (SIDBI) is as an apex and the Principal financial institution for promotion, financing and development of the Micro, Small and Medium Enterprises (MSME) and thus coordinates of the functions of the other institutions engaged in similar activities. The SIDBI provides direct and indirect finance to MSMEs through refinance assistance resource support to Institutions, receivable finance and bills financing, micro finance, term loan and working capital assistance. Further, the SIDBI extends resource support to various institutions engaged in the promotion and development of MSME sector. The bank provides resource support to financial intermediaries like SFCs SIDCs, NBFCs, factoring companies, SEBs and other institutions having linkages to MSMEs. This study concludes that the various schemes provided by the SIDBI helps the MSMEs in their development.

**Appasaba. V. Kiran. G and Dr. Kadakol. A.M. (2013)** analyzed the growth and development of the Indian small scale sector from opening of the economy in last few years. Another part looks into the present scenario of MSMEs and the problems they phases like lending, marketing, license issues in detail. The MSME Act, 2006 is intended to boost the sector. The provisions of the Act are examined closely. The final part in this paper provides some future policy framework for the sustainability of the sector and analysis the facts on MSMEs. The study area Shimogga is very comfortable to open more MSMEs because of this area is having required and enough raw materials to related industries and this area having comfortable marketing. According to this survey the marketing, transportation, innovation and tax problem is less compare to other industrial area like Bangalore etc...

**Kanagarathinam, M. and Sukumar, A., (2013)** focuses on marketing problems of the small scale industry in recent days have been identified that

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increasing competition from within the small scale sector as well as from large industries with established brand names and marketing setup, consumer awareness, even in rural and semi urban areas, for quality goods the need to set up distribution networks for reaching out widely dispersed markets and inability of the SSI units to exploit the export markets.

This study was concluded that 76% of the sample small scale units are facing marketing problems. Analysis and interpretation comprises of all the problems regarding Marketing Mix. Market forces are governed generally by the criteria of efficiency, productivity and competitiveness and this is much more in the present era of liberalization and globalization. Performing the marketing functions satisfactorily and successfully in the global context is the major hurdle for SSI and their development.

Nagendra Sohani, Burhan Adil, (2013)\(^{19}\), brought out that the framework model is the tradeoff between product cost and product quality and product quantity in terms of investment using Break even analysis. Plant size, facility planning and skilled labour training cost and labour turnover analysis and the Global market impact on product selection. It has been found that the small scale production is high and difficult to achieve breakeven point; Banking policies are not supportive to small industry; Government policies and tax benefits are more for large scale industry, Global market is open for all in dumping and India is a huge market.

Mukund Chandra Mehta (2013)\(^{20}\), reveals that the various challenges and opportunities associated with MSMEs in India. MSMEs will continue to play a very important and vital role in our economy where the twin problems of unemployment and poverty constitute a major development challenge. There are several challenges in the sector of MSMEs. If the Government, Bank and Financial Institutions will take proper initiatives in the sector of MSME the economic growth rate of India will be 8 to 10 percent for the next decades.

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Sahaj Tambi, (2013)\textsuperscript{21}, purpose of this paper is to examine and analyze the challenges faced by the local small and medium scale textile industries in Jaipur. It also explores the solutions and problem solving methods used by textile entrepreneurs to cope up with the changing market scenario. It asserts that perhaps availability of finance is not as much of a problem as repayment of it is. The repayments of financial liabilities are stressful and discouraging due to low paying capacity and insignificant sales.

Singh, B. Singh, A. Yadav, R.C. (2013)\textsuperscript{22}, investigated that based on a survey of 84 MSMEs of India cited that the enterprises are mostly employing unskilled labor whose wages are less with poor training. In spite of reported minor accidents, attention towards safety is poorly paid. To meet-out the production target, MSMEs generally employ over-time and payment towards this overtime is sometimes missing. Hence, honest and humanitarian attention for better human resources is needed to improve the performance and competitiveness of MSMEs of India. On the basis of this research, it can be suggested that entire workforce must be encouraged and motivated for their active and efficient functioning, to ensure its sustainable growth. It can be achieved through improving state of functioning, condition of workplace safety, and imparting training to the workforce.

Soumya Ganguly, (2013)\textsuperscript{23}, examined MSMEs has achieved steady growth over the last couple of years. Some of the industries under MSMEs are making rapid progress like manufacturing, food processing, textile and garments, small engineering business, and service sectors. Under the rapidly changing economic scenario the MSMEs have both the opportunities and challenges. There are several factors such as requirement of small amount of capital, flexible decisions making process, small area of land etc. Influenced MSMEs sector to develop and compete with other large industries. The support given by the national and the state governments through different schemes and support to the MSMEs sector is not adequate enough to solve their problems as these facilities are not attainable by the entrepreneurs. However for


improvement of this sector and to utilize its full potential, it is essential that the entrepreneurs along with the support of government take necessary steps for further development.

Srinivasa Kumar, D. Prasad, K.V.S. Prasad Rao, S. (2013)\textsuperscript{24}, study reveals that the MSMEs constitute a very important segment of the Indian economy. MSME’s contribution to the development of our economy is significant as it evident in terms of MSMEs being the major constituent sector in the production system, employment generation, GDP etc.

MSMEs also have an aptitude for innovation, creativity and flexibility which enabling them to respond with more quickly to structural changes and to adapt the dynamic demand patterns of consumers. It is also clear that MSMEs sector has performed exceedingly well and enabled our country to achieve a wide measure of industrial growth and versification. If government policies towards MSMEs are closer towards its various problems and prospect it can be nearer contributors with agriculture in all respect in future. To keep this growth engine on the right way and direction it is time to put emphasis on formulation of MSME friendly policies, conductive operating environment, improvement of proper infrastructure, securing peace and security, arranging appropriate modern technology. Considering MSMEs contribution towards every aspect of economic development it should be considered at equal recognition with agriculture.

Srinivas K T. (2013)\textsuperscript{25}, analyzed that the Micro, Small and Medium Enterprise sector is crucial to India’s economy. There are 30 million enterprises in various industries, employing 69 million people. Together, these account for 45% of the industrial output and 40% of the exports. Although 95% of Micro, Small and Medium enterprise units are informal in nature, the contribution of the sector to India’s GDP has been growing consistently at 11% per annum, higher than overall GDP growth of 7 – 8%. In this background researcher made an attempt to study the role of small, micro and medium enterprises in inclusive growth of Indian economy.

Poor infrastructure and insufficient market linkages are among key factors that have embarrassed the growth of the MSMEs sector. Along with lack of ample and


appropriate access to finance has continued to be the biggest challenge. The support
given by the national and the state governments to the MSMEs is not adequate enough
to solve their problems. However for the sector to fully utilize its potential, it is
essential that the entrepreneurs along with the government support take necessary
steps for further development. It is quite evident that, nurturing this sector is essential
for the economic well – being of the nation. With the above constraint also the
growth of MSMEs over the period of time in India is creditable but still lot of scope is
there for the upliftment of MSMEs sector. In this regard it is the need of minute have
gaze by state as well as central government to take appropriate measures for further
improvement of MSMEs sector.

**Aarti Deveshwar, (2014)**\(^{26}\), examined the impact of globalization on Indian
MSMEs Sector. The analysis of growth pattern of significant parameters between
Pre-Post – Globalization periods of Indian Economy states that the “Globalization”
had a negative effect on the growth of this sector studies in terms of number of units,
production, employment and exports. The study gives clear indication that
globalization is putting major threats and big challenges for MSMEs. A decline in the
rate of growth of number of units and employment in post liberalization period is
really a very serious matter and Indian Government needs to pay special attention.

**Abhijeet Biswas, (2014)**\(^{27}\), the study reveals that there is a vast prospect for
developing nations to harness the opportunity by developing MSME sector. The
study further identifies the policy changes necessary for enhancing the role of
MSMEs. This study concludes that the MSMEs with effective use of networks,
associations and government supports become more sustainable and make a greater
contribution to the economy. Policy measures such as a loan guarantee scheme.
Microfinance fund and credit register should help to mitigate the adverse effects of
recession somewhat, but it is clear from the extensive literature review presented here
that challenges will remain in the medium term. Literature reveals that across
countries, banks perceive serving MSMEs as a profitable endeavor and almost all
banks have MSME clients. Though, there is significant difference in exposure,
leading practices, business models, drivers and obstacles of MSME finance for banks


operating in developed vis-à-vis developing countries. Different studies have indicated that MSMEs act as an engine for growth of any economy and their role in the development of nation cannot be overlooked. The study reveals that there has been a drastic increase in the number of MSME units over the last ten years. The employability of the MSME sector has also increased tremendously and it has now become the second largest employer after agriculture. The Credit Guarantee Scheme has emerged out as one of the most popular schemes for the MSME sector over the last decade. Almost all the banks today sanction loans through that scheme and the volumes keeps on increasing day by day.

Abishek Kumar Singh, Sanjay Kumar Jha, Anand Prakash, (2014)\textsuperscript{28}, this study intended to provide a mechanism for the transition of basic research on green manufacturing to industry and government for finding manufacturing solutions to enable a sustainable future with verifiable data. It deals with identifying factors of GM practices adoption among the MSMEs in India and application of Analytic Hierarchy Process (AHP) to validate the developed multiple-item scale for identified factors and variables with matrices hierarchies which are generally used as the multi-criteria decision making. This research has established that GM relates to greening to product design, design of raw materials, process, technology, packaging material and packaging design.

Anis Ali, Firoz Husain, (2014)\textsuperscript{29}, views that MSME’s provide job and employment and ultimately self-dependency. In country like India, only self-dependency is the way, which can be a cure for devaluation of Indian Rupees. Therefore, MSME’s can be boon and a hope for Indian economy in near future. The MSME’s are providing the uniform development to the society and can be a strong mean to utilize the natural resources of the India. This study concludes that the problem of unawareness towards technological advancement can removed after running effective training and skill development programs. There should low cost credit to the MSME’s. The rules and regulations related to the labor laws must be relaxed. The panel of experts must constitute to assess the status and the needs of the


MSME’s. The future of MSME sector in India is bright and it will grow the economy.

Brijesh Singh, Dr. Amar Singh, Dr. Yadav R.C. (2014)\textsuperscript{30} viewed that the MSMEs sector promote industrialization of rural and backward areas and thus, helping in reducing regional imbalances and assuring more equitable distribution of national income and wealth. These also contribute enormously to the growth of nation’s gross domestic production, employment, total manufacturing production and export. Adoption of Information and communication Technology (ICT) tools, will enable an enterprise for global marketing, increased customer base and quick supplies with reduced chances of dishonest payments.

The author has been concluded that for any enterprises, which is striving to improve its performance and operations and willing to compete globally, successful adoption of suitable IT tools is needed. Suggested software will help an enterprise to run its business on computers and records (complete, in unbiased nature) will be accessible to users round the clock and incurred cost will be reduced. Thus, it is recommended that MSMEs should use software (in-house purpose) that can be planned and designed in a customized manner, further to have better management.

Chandraiah, M. and Vani, R. (2014)\textsuperscript{31}, reviewed the overall performance and contribution of small scale industries to Indian economy is described in terms of its absolute growth in units, employment, production and exports. The MSMEs Development Act of 2006 perhaps is the most crucial of these recent policy changes. The formulation and implementation of policies and programme’s projects schemes for MSME sector is undertaken by the Ministry with the assistance of its attached and autonomous organizations. The growth of small scale industries can be evaluated on the growth rates of units, Employment, output and exports of Small scale industries in 2013 with that of 1990s.

At the same time MSMEs sector faced key challenges like lack of availability of adequate and timely credit, High cost of credit, collateral requirements, limited access to equity capital, procurement of raw material at a competitive cost, Problems of storage, designing, packaging and product display, Lack of access to global


\textsuperscript{31} Prof. Chandraiah M. and Vani R. “The Prospects and Problems of MSMEs sector in India an Analytical Study”, International Journal of Business and Management Invention, Vol. 3, Issue 8, August 2014, pp.27-
markets, inadequate infrastructure facilities, including power, water, roads. Low technology levels, lack of skilled manpower for manufacturing, services marketing, etc. Despite the various challenges it has been facing, the MSME sector has shown admirable innovation, adaptability and resiliencies to survive the recent economic downturn and recession. A rewarding feature of economic development in India is due to impressive growth of modern MSMEs.

Firstbiz, (2014)\textsuperscript{32}, the purpose of this survey is to look at the challenges faced by small and medium enterprises (SMEs) which are India’s most important sector from the perspective of employment and growth. It is also India’s most challenged sector.

The author highlight that India’s new central government, headed by Narendra Modi, has promised to make business a less traumatic process for entrepreneurs. The result of this survey, when conveyed to the top most political leaders, will help improve the business climate and enthuse more entrepreneurs to create new businesses and jobs.

Garima Chaudhary, (2014)\textsuperscript{33}, examined the marketing function when the commitment from the management and people in the organization comes. These enterprises can easily bring in the innovative marketing practices as they don’t have layers between the decision makers and the people who implement the decisions. Their innovative marketing strategy can work, if it is based on clearly formulated marketing program to reach the potential and existing customers. Though the medium enterprises are also proposed to be included as the target beneficiaries in the scheme, the marketing of products and services of micro and small enterprises, in rural as well as urban areas also has to be stressed. In present economic scenario, these enterprises are increasingly focusing on improved production methods, penetrating strategies and modern scientific capabilities to sustain and strengthen their operations. These are usually registered business entities but lack of formal business systems in place and operate in both formal and informal sectors of economy. They have always been the engines of growth for every country but used to face marketing challenges with constraints on sustained advertisement and other market promotion.


Ghosh, SK. Ekambaram, K. Sivasankar, P.R. (2014)\textsuperscript{34}, this study shows that the performance of DICs in the development of MSMEs in SPSR Nellore District. The DIC programme was started by the Central government in 1978 with the objective of providing a focal point for promoting small, tiny, cottage and village industries in a particular area and to make available to them all necessary services and facilities at one place. In SPSR Nellore District, DIC was started on 13\textsuperscript{th} February 1981 with the main aim of providing all services to the entrepreneurs and artisans for the development of small scale industries and in semi-urban areas.

The DIC is playing a major role in promoting Micro, Small and Medium Industrial units, increasing their investment level, and generating employment opportunities by utilizing local resources. Besides MSMEs, the large, cottage and village industries, artisan industries and rural industries have also been developed significantly in the district. According to the national policy, each district is provided a DIC to assist the Industrial establishments in supplying the required facilities as well as providing training and development. However, there are certain problems they are facing, viz., shortage of required quality inputs, marketing problems, labor problems, technical issues, etc. The various promotional institutions are trying to solve the problems of the Micro, Small and Medium Industrial units.

Jadhawrao Madhavi Sugaraj, Salve. P.S., (2014)\textsuperscript{35}, examine the factors responsible for the growth of women entrepreneurship in India. There has been a steady increase in the participation of women in small business indicating immense potential for entrepreneurial development among them. It was observed that the women own enterprises in India have made significant contribution towards generation of employment, gross output, asset creation and exports.

Jahangir Chauhan, (2014)\textsuperscript{36}, study examined that the opportunities created by the globalization drive. Large enterprises, to keep their core competencies are now becoming more focused and preferring outsourcing as a reliable part of their business, this can be lead to the creation of new opportunities for the MSMEs sector.


Simultaneously, some of the problems have also been emerged which need to be paid proper attention by the Ministry of MSME to extract the real fruit of growth and development. Therefore, government should focus on development of any such model considering the Micro finance institution, companies looking for expansion to the untapped rural markets and training centers to enhance the entrepreneurship skills among the unemployed who are residing in the rural or sub-urban areas.

**Kannan, A.S. and Sudalaimuthu, S. (2014)**[^37] focus on the major initiatives taken by Governments of India in promoting MSMEs and to examine the problems of MSMEs in general and issues in financing in particular and to outline the trends in bank financing MSMEs in India. This study concludes with the recommendation to the Indian banking Industry to enhance its share of finance to MSME sector, though lending either directly or indirectly, in order to ensure further improvements in their contributions to the economy – in terms of jobs creation, export potential, GDP addition and better standard of living to millions of families.

**Mohandass, S. and Subramanian, E. (2014)**[^38], focuses Globalization has led to an “Unequal Competition” – A competition between giant MNC’s and dwarf Indian enterprises. Therefore there is a need to study and analyze the impact of globalization on Indian Small Scale Industries. This paper focuses on the implication of Globalization; analyze the performance of small scale Industries based on number of units, payment, production, investment and exports on post liberalization. This study concludes that the MSMEs Development Act of 2006 perhaps is the most crucial of these recent policy changes.

The growth of small scale industries can be evaluated into two ways: To compare the growth rates of units. Employment, Output and export of small scale industries in 2000s with that of 1990s. To ascertain the change in the relative contribution of Small Scale industries to GDP, Exports and Organized sector employment in the 2000s with that of 1990s. The small scale sector has grown rapidly over the years. The period of liberalization and the development the MSMEs sector constituted an important segment of our economy. MSMEs are a very important segment in the Indian industrial sector and would continue to play a crucial role in the future.


role in the Indian economy in the future. It also brought in huge amounts of foreign investments into the country and provided employment opportunities for many people in the country which in turn helped reduce the level of poverty in the country. A rewarding feature of economic development in India is due to impressive growth of modern MSMEs.

**Nasreen Khan and Adil Amin Bhatt, (2014)** brought out that MSME provide majority of new jobs and produce much of the creativity and innovation that fuels economic progress. SMEs do not only constitute of enterprises, however, but are clearly led and strongly influenced by people, and most of all by the entrepreneurs behind them. There are different kinds of entrepreneurs. They may be classified on the basis of, for instance education, motivation, age, business characteristics and gender. One of the most rapidly expanding categories is that of women owned enterprises (WOEs), which require attention for a number of reasons. The potential of women, who represent half of mankind, is greatly underdeveloped in many societies. Yet, women clearly play a very important role in many respects, including in the local economy. By forming WOEs, women are often able to overcome traditional boundaries. WOEs now account for a growing share of all new enterprises in many economies. New technologies and associated societal and organizational changes represent great opportunities. Women sector occupies nearly 45 per cent of the MSME in India. At this juncture, effective steps are needed to provide entrepreneurial awareness, orientation and skill development programs to women. Resurgence of entrepreneurship is the need of the hour emphasizing on educating women strata of population, spreading awareness and consciousness amongst women to outshine in the enterprise field, making them realize their strengths and important position in the society and the great contribution they can make for their industry as well as the entire economy.

Women Entrepreneurship must be molded properly with entrepreneurial traits and skills to meet the changes in trends, challenges in global markets and also be competent enough to sustain and strive for excellence in the entrepreneurial arena. If every citizen works with such an attitude towards respecting the important position occupied by women in society and understanding their vital role in the modern

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business field too, then very soon we can pre-estimate our chances of out beating our own conservative and rigid thought process which is the biggest barrier in our country’s development process. Highly educated, technically sound and professionally qualified women should be encouraged for managing their own business, rather than dependent on wage employment outlets. The unexplored talents of young women can be identified, trained and used for various types of industries to increase the productivity in the industrial sector.

Neha Dangi and Ritika, (2014)\textsuperscript{40}, evaluated the growth and performance of MSME in India and to study the current scenario of women entrepreneurs in India. The study also analyzes the problems and challenges faced by women entrepreneurs in India. It can be concluded that MSME are contributing to the economic growth and development of Indian economy. Women entrepreneurs who were traditionally kept behind the four walls of their houses, now in modern society are capable of managing both their family and business. Though they face many problems and challenges in their path of becoming a successful entrepreneur, the government has taken many initiatives for the growth of women entrepreneurs. Finally, it can be said that there is a long way to go for women entrepreneurs and MSMEs in India and their success is the success of Indian economy.

Nimitha Rai. D and Pallavi. K.N, (2014)\textsuperscript{41}, showed that various pros and cons of each strategies. The selection of ERP systems depends on individual requirements of the company and the strategy along with several critical factors like technical and organizational. To get the best ERP system indicators and metrics needs to be considered while simulating situation of the company. It concludes that many SMBs in India are either unaware of the ERP systems or they are using traditional ERP system. Cloud computing service based ERP systems provide required IT resources with reasonable cost. The combination of developing a simple and efficient cloud computing service based ERP for SMBs in India is of great use. The study of this research provides a cloud based pay per use ERP system to the


SMBs in India. Information from all the units of the organization are collected and used efficiently to provide higher cost margin to organization.

Nishanth. P and Dr. Zakkariya K.A., (2014)\(^{42}\), analyzed to identify the various barriers faced by MSMEs in raising finance and to identify the various sources of finance other than banks. The analysis of preliminary results reveals that only a small percentage of firms availed the credit scheme offered by banks.

While evaluating the reason for non-availing credit schemes, highest percentage of respondents feels that too many formalities are there while availing credit schemes. The author concludes that barriers for raising finance can be reduced to some extend while the owners make their effort to increase their knowledge and better utilization of schemes. The other part can be reduced only through the changing the attitude of banker. The growth and development of MSMEs can be ensured by initiating actions by government and banks for arranging the MSMEs to avail more credit by way of reducing the barriers perceived by the entrepreneurs.

Pramila Devi, M. and Ramachandran, S. (2014)\(^{43}\), viewed that MSMEs primarily need access to new technologies. Apart from poor financial situations, low levels of R & D, poor adaptability to changing trade trends, non-availability of technically trained human resources, lack of management skills and access to technological information are some of the reasons that are blocking the growth of MSMEs. The study concludes that the restructuring of production at the international level through increased outsourcing is having significant effects on small and medium entrepreneurs in a positive, as well as negative manner. Now-a-days organizations are knowledge based and their success and survival depend on creativity and innovation. The rate of changes is accelerating rapidly, as new knowledge idea generation and global diffusion are increasing. Creativity and innovation have a bigger role in this change process of survival.

Puneet Singh, Davinder Singh, (2014)\(^{44}\), analyzed the problems of technological backwardness and enhance their access to new technologies, it is


imperative to offer them a conducive environment, which are in the present context of globalization, calls for approach with knowledge playing a predominant role. There is a need to understand and assess the real needs of the MSMEs and accordingly devise approaches that ensure their sustainable growth. The need today is also to leverage on modern technologies to harden human capabilities through the process of increased communication, cooperation and linkages both within the enterprises as well as across enterprises and knowledge – producing organizations.

Rajib Lahiri, (2014)45, analyzed the scenario of Institutional credit support by the banks and other financial institutions to the MSMEs at Howrah. To identify the major problems faced by the MSMEs at Howrah and offer effective solutions. The major statistical technique used Henry Garrett’s Ranking Technique to find out degree of importance of different problems faced by the MSMEs. This study concludes that the sector needs more institutional credit support, infrastructural development, well formulated managerial and marketing strategies, use of advanced technology, establishment of laboratories and testing centers, etc., to combat the challenges of liberalization and excel in highly competitive market. As per the new Industrial Policy, 2013 West Bengal Government has placed special importance for MSMEs and the MSMEs have been identified as the ‘thrust area’ for industrial development.

Ravindra Tripathi & Priyanka Tandon, (2014)46, study reveals that unorganized sector play a crucial role in the economy. Government and Reserve Bank of India are working hard to provide timely and easy access to finance to unorganized sectors by way of various policies and programs such as priority sector lending, financial inclusion and collateral free loans. Today there is huge demand by this sector but government hardly meet out this demand. On the other side, banks also face various problems in providing finance since enterprises in unorganized sector do not properly maintain books of accounts. Banks do not have trust and confident on new set up. Banks are highly rigid about the creditworthiness of the customer. Finally, it can be concluded that unorganized sector faces various problems with regard to accessibility of finance. To overcome this, government and other

participating agencies must go ahead to support and must give momentum to the working of this sector.

Rupali Sharma and Zia Afroz, (2014)\textsuperscript{47}, highlighted that the MSMEs as a major contributor towards growth of domestic economy and employment generation, should also get adequate support for its growth and development in terms of policy framework, incentives and other relevant aids and supports like providing good infrastructural facilities, developing various industrial parks and technology incubators under MSME cluster development programes.

Creating networks of organizations which help to provide training to the skilled workforce, to improve productivity, encourage entrepreneurship, competency in management, funding R &D investments and technology advancement may work for the betterment of the sector. Although, Indian MSMEs are finding it difficult to sell their products in the domestic and international markets because of increasing competition, the Indian MSMEs needs to up – grade their technology and put more emphasis on innovation.

Saud Ilahi (2014)\textsuperscript{48}, this study focuses on the existing non financial support provided by eight institutions to MSME in Delhi. The largest institute being office of Development Commissioner Micro Small and Medium Enterprises (MSME – DC). It functions as the nodal Development Agency under the Ministry of Micro, Small and Medium Enterprises. The investigation comprises of six main types of non – financial support provided by these institutions which includes, Technology, Training, Marketing, Entrepreneurship Development, Common Facility Centre and Information & Consultancy. After investigation, provide support mainly in entrepreneurship development and information & consultancy. Four institutions (MSME-DIC, DI, MSME-DI and NSIC) provide support in all the areas i.e. training, technology, Marketing, entrepreneurship development, common facility and Information & Consultancy. The author recommends for better and effective support system. The procedure of providing support should be made simple, transparent and less time consuming.


Sajeevan, G. (2014), In this paper an attempt has been made to look into the statistical data base in Micro, Small and Medium enterprises. The first section discussed on the conceptual issues on MSME sector followed by international Standard of defining MSMEs. The paper makes an attempt to explain the various definitions used in differed data sets of MSME sector and the data collection process on periodical census in MSME sector. The paper concludes with the latest data available from the fourth all India censuses on MSME sector.

Sangita G. Patil, Chaudhari, P.T. (2014), examined that the growth and performance of Small Scale Industries and analyzed the problems of small scale industries. The study concludes that the promotion of SSI is essential in developing economies like India to achieve equitable distribution of Income and wealth, economic self – dependence and entrepreneurial development. To empower the SSI sector to take its rightful place as the growth engine of Indian economy, it is necessary to support the MSMEs, educate and empower them to make optimum utilization of the resources, both human and economic and informed of the latest developments taking place globally and helped to acquire skills necessary to keep pace with the global developments.

Shugufta Yasmeen, V. and Gangiah, B. (2014), brought out that the empowerment of women means equipping women to be economically independent, self-reliant, have a positive self esteem to enable them to face any difficult situation and they should be able to participate in development activities and in the process of decision making. It has been globally recognized that women’s empowerment can be well paying strategy for overall economic and social development. This has resulted insignificant changes in the approach to assist, women in a continuum ranging from welfare to development.

Entrepreneurship development among women is one activity that promises encouraging results. The present study is an attempt to study the socioeconomic background of the women entrepreneurs and to assess the role of micro-enterprises in the empowerment of women in terms of economic, social and psychological spheres.

in Y.S.R. District of A.P. For this a sample of 60 women owned micro enterprises were selected based on simple random sampling method from the sampling frame of 107 women microenterprises registered in the District Industries Centre (DIC), Y.S.R. District. It is concluded that women have attained economic, social and psychological empowerment after starting the micro-enterprises, which is a true reflection of empowerment of women.

Susmitha Mohan. M (2014)\textsuperscript{52}, focuses on overall performance of the SSIs in India from 1990-91 to 2011-12. In terms of number of units registered, production recorded and employment generated. The paper also attempts to compare the performance for small industries in Kerala in terms of number of units, investments, employment and production. It also analyses the barriers for the development of SSIs and suggests some measures for improving their performance in India. When analyzing the position of Kerala, it can be noted that the amount of investment and the value of production has increased but, with respect to the amount of employment and the number of enterprises, a marginal decline has been observed. The total number of small enterprises does not show a real progress. If the potential of SSI is properly harnessed, it can help in accelerating the pace of socio-economic development and balanced regional growth apart from creation of employment opportunities. It is very essential to develop the industrial sector of Kerala mainly through the development of SSI sector.

Vasu, M.S. and Jayachandra, K. (2014)\textsuperscript{53}, analyzed that the MSMEs play a significant role in contribution to the development of Indian economy in terms of production system, employment generation, GDP etc. MSMEs also have an aptitude for innovation, creativity, and flexibility which enabling them to respond with more quickly to structural changes and to adapt the dynamic demand patterns of consumers. It is also clear that MSMEs has performed exceedingly well and enabled our country to achieve a wide measure of industrial growth and development. In view of the above problems of MSMEs, it is time to put emphasis on formulation of friendly policies, favorable operating environment, and improvement of proper infrastructure, arranging proper finance facilities, efficient managerial capabilities and arranging suitable modern technology. If government initiations and policies towards MSMEs

\textsuperscript{52} Susmitha Mohan. M., “Growth and performance of Small-Scale Industries in India with Special Reference to Kerala”, April 2014, www.FFYMAG.Com

are closer towards its various problems and prospect it can be nearer contributors with agriculture in all respect in future.

Vettriselven, M. Sathya, Balakrishnan, A. (2014)\textsuperscript{54}, this study concentrates four districts of Tamil Nadu in particular and Indian in general.

It has chosen by random simple sampling method and employs 460 samples from bottom level workers with an attempt to explore HRM practices. This study found that switch over intension is high among the employees in the MSMEs due to absence of medical facilities, poor working environment and lack of welfare measures, inadequate pay and poor industrial relations. It concludes that without human effort management cannot achieve their goals and objectives in profitable way. So, concentrate more on the valuable assets of the enterprises to formulate and practice the suitable and affordable HRM practices to enhance the productivity in sustainable manner.

Vikas Katia, (2014)\textsuperscript{55}, found that MSME are facing several problems like lack of banking facilities, lack of advanced technology, lack of skilled labor etc. No doubt Government of India is doing a lot for development of this industry units in MSME sector are in unorganized. Most of the time these units remain unaware of Government policies and should take initiative specially to register small scale and medium scale units so that proper data and benefits could reach to these industries.

Abhijeet Biswas, (2015)\textsuperscript{56}, highlighted the technology up gradation and innovative schemes for the MSME sector and to identify the barriers to Technology development among Indian MSMEs. In order to enable MSMEs tide-over the problems of technological backwardness and enhance their access to new technologies, it is imperative to offer them a conducive environment, which in the present context of globalization, calls for approach with knowledge playing a predominant role. There is a need to understand and assess the real needs of the MSMEs and accordingly devise approaches that ensure their sustainable growth. The need today is also to leverage on modern technologies to harness human capabilities through the process of increased communication, cooperation and linkages, both


within the enterprise as well as across enterprises and knowledge – producing organizations.

Aruna, N. (2015)\(^\text{57}\) focused that the role of MSMEs helped in economic restructuring and development of India. Empirical data revealed that hurdle like financial constrain and issues relating to power, raw material procurement should be more effectively dealt by the government. The data collected revealed that overall globalized business environment of India has been average favorable for the growth of micro and small scale industries. The nub of the data is that the MSMEs have played role in employment generation in India. It concludes that 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 the business for compliance and secure benefits. There are many government schemes but from the study it was observed that most of these enterprises are not aware and do not understand how they can benefit out of them.

Ashu Katyal and Betsy Xaviour (2015)\(^\text{58}\), endeavored to analyze the current status of HR operations in MSME, find out the contribution of MSMEs in economic development of the country, challenges confronting by MSME and finding out ways to overcome the challenges in MSME and issues related to HRM. The results revealed that lack of formalization in the management of HR Issues. This is in contrast to multinational companies operating in India who have adopted structured and formalized HR systems. As the studies showing very less MSME’s have formal HR dept and in new small business unit’s owners only handling the HR practices. So with skill training there should be some procedure to provide basic HR functional training to owners so that initially they can handle HR functions and understand the importance of HR in organizations. Later on after small units become profit oriented units, they can have formal HR dept to run each HR function systematically. Second option for MSMEs to outsource their HR functions to some outside authority, which can happen after establishing as a profitable unit. So the business owners or HR managers should ensure good HR practices in their organizations to remain competitive.


Balasubramaniyam, K. (2015)⁵⁹, brought out that the Khadi and Village Industries Programme holds great potential for generating gainful employment opportunities for the rural poor, arresting migration of rural unskilled workers to urban areas and for promoting the strategy of sustainable development.

It can also be a viable and effective social safety net to enable the poor to ward off the adverse impacts of structural adjustment and economic reforms on their wellbeing. However, this potential cannot be realized without addressing some basic weaknesses with regard to the design and implementation of the programme and without making it fiscally sustainable. It may be necessary to constitute a committee to examine the feasibility of the proposed model and to suggest suitable measures for restructuring of KVIC and its various activities, so that the primary objective of the scheme is realized with justifiable level of fiscal support.

Bilas S. Kale (2015)⁶⁰, the study shown that there is a continuous growth of number of units. The growth of these sectors enhances employment, investment and exports of the state as well as in our country. Entrepreneurship development is considered as a key factor to fight against unemployment, poverty and achieve overall socio economic growth in our state. Last but not the least, growth rate of MSMEs is very good and healthy sign towards progress and prosperity of Maharashtra. MSMEs will continue to play a vital role in our country where poverty and employment is a serious problem. MSMEs are the engine that not only contributes to high rate of economic growth but also creates demand for goods and services that leads to inclusive and balanced growth of the economy. It also helps to reduce social imbalances and faster sustainable development. MSMEs of today may be the MNC’s of tomorrow. Therefore, top most priority should be given to this sector.

Leny Michael, (2015)⁶¹, analyzed that MSME’s not only crucial role in providing large employment opportunities at comparatively lower capital cost than large industries but also help in industrialization of rural & backward areas, thereby national income and wealth. The Indian MSMEs contribute 8percent to the Country’s GDP thereby creating 100 million jobs through the 46 million units from the rural and urban areas across the country. MSMEs are very important economic growth of India

but this sector is not getting sufficient support from the concerned government departments, banks, financial institutions and corporate. This proves hurdle in the growth path of the MSMEs.

Ravin Kadian and Aarti Chahal (2015)\(^{62}\), this study focuses on the role of MSMEs in the “Make in India” initiative. Quantitative data regarding this has been collected using various reports like RBI Database on Indian Economy, Database of Department of Industrial Policy and Promotion and report of CII’s 13\(^{th}\) manufacturing summit 2014. It has been analyzed that the key area of progress for India would be the development of its MSMEs to achieve and manage scale effectively. Our supply chains are over-dependent on MSMEs. The MSME sector employs over 80 million people in 36 million units, and contributes 45 percent of the manufacturing output. However our MSMEs are struggling due to lack of access to investment.

According to a study conducted by the US-based Entrepreneurial Finance Lab (EFL), a credit gap of 56 percent exists in the MSME finance sector in India; while demand its estimated to be INR 28.3 trillion, the supply finance provided only INR 10.39 trillion, as of July 2014. It has also been studied that how MSME sector is recognized as the key engine for growth to promote entrepreneurship across the country. This study concludes that one of the major problems about MSME is the gap between requirements and availability of funds, this gap should be reduced. A good credit rating from an external credit rating agency is a tool to reduce the rate of interest to some extent, as the MSMEs with a higher credit rating are in a better position to negotiate softer rates of interest from bankers.

Rishi Raj Sharma and Pallavi, (2015)\(^{63}\), analyzed the manufacturing sector which faces several challenges: a shortage of lending, currency volatility and fears over the sustainability on prices. It is also increasingly being realized that there is no alternative to investment in manufacturing if a significant proportion of our massive, partly employed rural workforce has to be transitioned into higher income, higher skilled economic activity. The new manufacturing giants with low wage economies tend to compete on cost, the established players prefer to move up the manufacturing


value chain to compete on technology and innovation. Lean manufacturing
techniques which control costs and improve quality are pervasive.

The result also suggest that perhaps the government should play a facilitator
role and improve access to finance by encouraging more banks and other financial
institutions to enter the local market, instead of becoming an active player itself.
Also, some other measures like Factoring, venture capital, strategic investors etc. are
also suggested which should be taken by the government in order to make the SME’s
business more competitive and profitable.

Suliyanto, Weni Novandari and Sri Murni Setyawati, (2015)\textsuperscript{64}, the purpose
of this study to investigate the effect of economic motive, negative job perception and
artistry in painting batik on job Loyalty. Data were collected using in-depth
interviews and questionnaires. Survey data were collected among 120 artisans of
painting batik MSMEs in Purbalingga Regency – Indonesia. Data analysis using
Structural Equation Modeling (SEM). Based on the analysis concluded that economic
motive and artistry in painting Batik have positive effect on Job loyalty, while
negative job perception have no effect on Job loyalty.

Mishu Tripathi, Saurabh Tripathi, Rikin Dedhia, (2016)\textsuperscript{65}, examined the
major issues in the financing of MSMEs in the Indian context, such as the information
asymmetry facing banks and the efficacy of measures such as credit flow for MSMEs;
whether transaction lending would be adequate to address the information issues or
would lending have to be based on a relationship with the MSME, using both ‘hard
and ‘soft’ information; and whether the size and origin of the bank affect the
availability of credit to MSMEs. This study concludes that the MSMEs continue to
struggle on multiple accounts. While some are challenged by credit and finance
issues, other is struggling to cope with stringent regulatory environments.

Palanivel, S. (2016)\textsuperscript{66} study that rural micro entrepreneurship is nowadays a
major opportunity for the people who migrate from rural areas or semi-urban areas to
urban areas. On the contrary it is also a fact that the majority of rural entrepreneurs

\textsuperscript{64} Suliyanto, Weni Novandari and Sri Murni Setyawati, “Antecedent Job Loyalty on Painting Batik
Micro Small Medium Enterprises MSMEs in Indonesia”, Middle – East Journal of Scientific Research,
\textsuperscript{65} Mishu Tripathi, Saurabh Tripathi, Rikin Dedhia, “Challenges faced by Micro, Small and Medium
Enterprise(MSME) sector in India”, International Conference on Recent Innovations in Science
Engineering and Management, India International Centr, New Delhi, PP:849 – 857.
\textsuperscript{66} Palanivel, S., “Problems and Challenges faced by the Entrepreneurs towards Rural Micro Enterprises
are facing a many problems due to not availability of primary amenities in rural areas of developing country like India. Lack of Education, financial problems, insufficient technical and conceptual ability it is too difficult for the rural entrepreneurs to establish industries in the rural areas.

Poornimarani, R. Diana, A. (2016)\(^{67}\), views that MNCs are big challenges before local Indian entrepreneurs. Indian entrepreneurs are now finding it difficult to compete with multinational companies. Indian entrepreneurs are trying to internationalize in their response. In this study 123 entrepreneurs are examined, the purpose of the study is to identify the problems and competition before India entrepreneurs. As the whole the empirical information results suggest that the Indian entrepreneurs in the study in general agreed that the 38 globalization incentives have ascertained contributed to their firms. However there is a need of more support to enable them to survive and grow.

Purushottam Gurjar and Sudindra, VR. (2016)\(^{68}\), views that the relationship between GDP and filing of EMII. Also analyses the number of Entrepreneur Memorandum – II filed major south India states. The final part of this paper provides major problems faced by the MSME in present global. It can conclude that, MSME significantly contributes to the GDP of the economy and growth rate of MSME EM-II registration depicts higher growth rate during 2007-08 to 2014-15.

Rawlani, M.V. and Vaidya, A.M. (2016)\(^{69}\), showed that the MSMEs sector contributes significantly to manufacturing output, employment and exports of the country. It is estimated that in terms of value, the sector accounts for about 45 percent of the manufacturing output and 40 percent of total exports of the country. To make this sector to become more vibrant and significant player in development of the Indian economy the Government of India has taken various initiatives. The study concludes that the MSMEs need to be educated and informed of the latest developments taking place globally and helped to acquire skills necessary to keep pace with the global


developments. It also aims at motivating the companies to follow TQM principles in future.

Sudarsana Murthy, D. (2016), reveals that the entrepreneurs are facing a plethora of problems in the functional areas of production, finance, marketing and other related areas of management.

Their contribution to industrial development is unique and noteworthy. It is high time to explore new strategies and programmes to promote entrepreneurship in the country. In order to do so, there is need for internalizing, not only new technology, but also effective management techniques and economies of scale. The government has enhanced the limit of investment in plant and machinery in select subsectors of the SSI sector to facilitate their vertical expansion and building of competitive strength.

Suprava Sahu, (2016), studies the problems of women entrepreneurs running micro enterprises in Cuttack district. The present study is based on both primary and secondary data. The required data for the study have been collected mainly from primary sources with the help of: by observation, an interview, and a structured questionnaire. The researcher has selected 120 respondents from Cuttack by convenience sampling method. The study concludes that women in Cuttack operate micro enterprises within the boundaries of their local area. Age factor does not put any impact on the women entrepreneurs; at any age of their life they are facing personal, financial, business knowledge, marketing, social, psychological and entrepreneurial problems. Most of the respondents are unaware about the policies and programmes of the government regarding entrepreneurship. Similarly, family income has no association with the problems of the women entrepreneurs. Irrespective of less and more family income, yet women are facing problems. Thus, various institutional supports, incentives, pension scheme for old aged lady and other financial help should be provided to attract more and more number of women to undertake entrepreneurial activity and fulfill the demand of existing entrepreneurs.

Suresh. R.D. and Balanaga Gurunathan. K., (2016), attempted to check demographic profile of MSMEs proprietors, various factors influencing the performance of MSMEs, challenges and problems in financing, reason behind the sickness and opportunities and various financing schemes available. It is concluded that MSMEs plays a decisive role in the Indian economy where the twin setbacks of unemployment and poverty, which represent a major development challenge.

INTERNATIONAL STUDY

Mel Hudson, Andi Smart and Mike Bourne, (2001), investigated the appropriateness of current strategic Performance Measurement development processes, for SMEs. A typology was formulated which synthesizes current theoretical developments with respect to strategic PM. This typology contributes to current theory and attempts to facilitate a convergence of theory and practice, illustrating that their PM systems shared few characteristics with those in the typology. This concurs with the limited resources and the more dynamic emergent, strategy styles found in SMEs. These issues are acutely problematic because developing a strategic PM is necessarily long term and it explicitly requires the resulting measures to be strategically focused. If these barriers are endemic in SMEs, then the requirements for a strategic PM development process for SMEs are clear: it must be very resource effective and produce notable short term, as well as long term benefits, to help maintain the momentum and enthusiasm of the development team. In addition, it must be dynamic and flexible enough to accommodate the strategic changes which are a feature of emergent strategies.

Siti Sarah bt. Omar, (2009), the objective of the study was to show that there are important for the SMEs to implement the HRD. This HRD is main tool to develop the SMEs in Malaysia. The significance of the study is to add value to the body of knowledge on human resource development and practice. This study concludes that the HRD activities are essential for SMEs for long term survival. HRD activities such as training and development, career planning, self – directed learning,

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employee motivation have led towards a better performance, higher creativity and innovation, retaining, staff, better service, equality and enrich human capital. It is believed that small firms should put in place, strategies to enhance knowledge, skills and expertise. HRD will allow small firms to gain a competitive advantage and this will lead to better performance.

Seung-KuK Paik, (2011), examined that the potential existence of systematic differences between small businesses and medium-sized businesses with regard to purchasing practice and development.

Results indicate there are significant differences between how small businesses and medium-sized businesses manage their purchasing practice. This study found purchasing development is related to the purchasing performance of SMEs and that relevance of certain components of purchasing development are more than other to this relationship. Bias between small businesses and medium-sized businesses.

Kuyo ‘Shade O., AwodeleO., Alao O.D. and Omotunde A.A. (2013), brought out that Information and Communication Technology is one of the main forces driving the present day business environment. ICT is dramatically helps business engagements. The adoption of ICT in Nigerian SMEs is relatively low; hence there are still many factors that need to be considered. This work only highlights the adoption of ICT in SMEs, some challenges hampering its adoption and its solution to SMEs of developing countries such as Nigeria. In order to have a better understanding of the benefits associated with ICT adoption in developing countries there will be a need for extensive research and meeting with the small business, the level of ICT solution they have adopted so far and how to further improve business growth and sustainability for SMEs in different sectors. The development of the ICT solution taking into account the peculiarities of developing countries, additional research in order to examine the existing problems, the peculiarities of micro and macro environment and other strategies will help to boost the SMEs of developing countries thereby enhancing the sustainable economic growth.

Cindy Ellen, Samuel PD Anantadjaya, Pudyotomo A. Saroso, (2014)\textsuperscript{77}, It is indispensable for entrepreneurs to have the proper combination of entrepreneurial competencies to sustain businesses, particularly the proper entrepreneurial mindset and entrepreneurial characteristics. This study attempts to evaluate the relationships among variables; entrepreneurial mindset and entrepreneurial characteristics toward performance management practices and business performance. It is expected that all relationships are positive among variables as a way to denote the determinants on entrepreneurial success, at least in Indonesian food service MSMEs.

This study concludes that the initial expectation that entrepreneur’s mindsets and entrepreneurs characteristics have a positive influence towards performance. The result also shows that along with the increase of PM practices, the business performance improves. It is important for entrepreneurs to possess the proper combinations of entrepreneurial competencies to maintain performance, which enhances the possibilities on business success.

Jane Anne Wangui Gichuki, Dr.Agnes Njeru, Ondabu Ibrahim Tirimba, (2014)\textsuperscript{78}, the purpose of this study was to determine the challenges facing Micro and Small enterprises in accessing credit facilities in Kangemi Harambee Market in Nairobi City Country, Kenya. The study used descriptive research design. The study targeted a sample of 241 from a target population of 656 MSEs located in Kangemi Harambee Market. Stratified random sampling was utilized in selecting the respondents of the study. The Study reveals that the key challenges hindering micro and small enterprises from accessing credit facilities to be high cost of repayment, strict collateral requirements, and unwillingness of people to act as guarantors, high credit facilities are processing fees and short repayment period. Therefore it is recommended that financial institutions set more flexible, affordable and attractive requirements in financing micro and small enterprises.

Paluku Kazimoto, (2014)\textsuperscript{79}, examined that the Small and Medium Enterprises, new or existing, often face certain challenges when they approach


\textsuperscript{79} Paluku Kazimoto, “Assessment of challenges facing Small and Medium Enterprises towards International Marketing Standards: A case Study of Arusha Region Tanzania”, International Journal of
products providers for both enterprise fixed capital investment and market standards. The insufficient supply of microloans is a major issue, particularly where business creators are unemployed persons, women or form part of ethnic minorities with different cultural dependencies. Supporting the supply of microloans is there not only an issue for entrepreneurship and economic growth, but also of social inclusion. From this study findings show that SMEs lack financial power to produce quantity of their product to serve large community, it face challenges to access international marketing, unaware of regulations and standards, with poor understanding of consumer’s needs and services, lack of essential entrepreneurial skills and weak networking structures to penetrate into international marketing.

The study therefore recommends the improvement of information that is available to SME owners; to the government and other partners avail accessibility to financial facilities with reasonable interest rate of return, encourage more advertisements and use of up to date technology for business and international marketing standards through seminars and trainings on entrepreneurship, and networking structures for export and import of goods and services. The study also suggests that the government supports SME’s to ensure that they play their role in helping improve the economy of Tanzania and improve the country’s Gross Domestic Product (GDP).

Saropa Mary Seila (2014) analyzed the effect of globalization on small and medium enterprises (SMEs) has received a lot of attention in international circles in the past few years. One of the reasons for the international focus on SMEs is that these firms make significant contributions to the economy of both developing and developed countries. The specific objectives of the study were to establish whether SMEs globalization lead to greater employment opportunities and reduce poverty level generally, identify factors that hinder the ability of small – scale business in Nairobi Country to be globally integrated and determine strategies to be adopted to facilitate the quick integration of small-scale firms in Kenya into the globalized economic world. Descriptive survey design was used. The target population of the study was the heads of department working in the Micro and Small enterprises Authority (MSEA) and the top 100 SMEs in 2012 as surveyed by Business Daily and

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KPMG, with owners or managers as the respondents. Primary data can be used in the study. This was carried out by use of an interview guide.

The results show that SMEs globalization has led to greater employment opportunities as a result of global competition, international policies have opened a free market for operation of SMEs all over the world and maximization of the human capital within the host communities. It was found that key challenges include; poor management competence, changes in modern technology, political interference, high competition in the market especially big foreign organizations, government’s strict regulations and overseas trade and lack of entry of Kenyan SMEs in the Business process market hinders.

To curb the challenge of access to financial resources, the study found that financial infrastructure needs to be broadened to ensure that there is inflow of credit for investments. It was found that technology improvement that greatly opens opportunities to globalization should be emphasized. Another strategy found to be efficient was the development of a research and development department or campaign for SMEs.

Veronica W. Ngugi, Kerongo, F. (2014)\textsuperscript{81}, viewed that the majority of small and micro enterprises in Kenya are mostly out of scope of formal banking services. They depend on MFIs loans to finance their business operations. The fundamental objective of this study was to consider the effects of Micro financing on growth of small and micro enterprises in Mombasa County. Despite access to credit SMEs growth remains a major problem. Access to credit should enable a business to achieve their growth objective. Despite this it is interesting to note that most of the SMEs could not survive third year of incubation period. Descriptive survey method was employed in this study. The study adopted stratified and systematic random sampling method. The sample size was 157 SMEs. Semi-structured questionnaire was designed to make effortlessness the acquisition of data. Data was collected from 102 respondents, a response rate of sixty five percent. Sales, income and competitiveness were used as the independent variable while growth of SMEs as dependant variable. Descriptive statistics was used to analyze data. Results indicated that microfinance has positive effects on growth of SMEs. Majority of the owners

indicated that microfinance has enabled them to expand businesses, build their business assets it also helps to enhance the business competent ability.

Ernani Hadiyatív, (2015)\textsuperscript{82}, examined in Indonesia, and many countries, MSMEs has high contribution, so it is important for the government to continue empowering and developing the enterprise. In conducting its business performance, MSMEs faces several problems, one of the problems encountered is the field of marketing. Problems in Marketing require government intervention in solving it.

The Government can impose various policies at the central and regional as outlined in the form of law and government regulations to support the development of MSMEs. There are several ways to measure the success of the government’s role in the empowerment of MSMEs. The success is the development of national and local economics performance through Gross Domestic Product and Gross Regional Domestic Product, generating employment and contributing to the revenue of non-oil exports.

Nkechinyere R.Uwajumogu, Ebele S.Nwokoye, Lasbery Anochiwa. (2015)\textsuperscript{83}, study that success stories of German Mittlestand by importing, adopting their characteristics. The Mittlestand was chosen as a benchmark because the sector is resilient and was able to weather economic storms during the economic meltdown than many of their competitors. Important lessons that could be learnt by Nigeria’s SME include amongst others, the importance of investing in human resources through the adoption of Germany’s dual vocational system; production of high quality goods and services; investing in research and development; provision of after sales services; having a sound business plan that consents to business inheritance, etc. On the part of government, the lessons that could be learnt include provision of critical infrastructure; creating enabling environment for small businesses; passing and enforcing the local content bill etc.


Hassan Dauda Yahaya, Maina Mohammed Geidam and Mohammed Umar Usman (2016), reveals that Micro, Small and Medium enterprises is useful engine that promote economic development of a nation like Nigeria by providing employment and self-reliance. Challenges of such sector must especially north-eastern part of Nigeria where the activity of insecurity is at peak. However, the challenges of the SME sector ranges from high-interest rate on lending, access to finance, government inconsistent policies on MSME, problem of electricity, lack of awareness of SWEDAN policies and programme by SME managers. Hence, the policies and programme by the government for developing MSMEs in the country most especially organizations like Microfinance are unaware by the MSME managers in the country.

Research Gap and Need for the study

A lot of work has been carried out locally and internationally reviewing challenges facing micro, small and medium enterprises in accessing credit facilities, searching labourers, marketing strategies and performance and growth of MSME. Most of the researches concentrated on their study areas at regional level based on their own objectives. The literature available does not concern itself on finance, raw material, human resource and marketing challenges faced by manufacturer in one combination. Micro, Small and Medium Enterprises play a predominant role in our economy and it gives more employment opportunities. Hence, the researcher felt that to study the challenges faced by these enterprises like access to finance, procurement of raw material, collection of credit, searching labour, use of MSME Schemes, export and import procedures with reference to manufacturing sector in Coimbatore District, due to which the growth of the enterprises is affected in this area and in turn affecting the growth of the country.

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