

## **GLOBAL STRATEGIES FOR SUSTENANCE OF MICRO ENTERPRISES- A TURNAROUND-GAME-CHALLENGE IN POST- COVID PERIOD**

Dr. Kanchanapalli Jagannayaki<sup>1</sup> and Dr. Mantha Srinivas<sup>2</sup>

<sup>1</sup>Assoc. Professor, MBA Department-IARE

<sup>2</sup>Professor, SMS-CMRIT-Hyderabad

DOI: 10.46609/IJSSER.2022.v07i02.003 URL: <https://doi.org/10.46609/IJSSER.2022.v07i02.003>

Received: 8 Feb. 2022 / Accepted: 18 Feb. 2022 / Published: 28 Feb. 2022

### **ABSTRACT**

‘Aatma Nirbhar Bharat A Game Changer’ an exploration & invention of VIDHATH OF MAHA-BHARATH i.e., none other than our Hon’ble Prime Minister Mr. Narendra Mode in his announcement of a Huge-Bread that provide a bed and act as a panacea that provide a base to get stabilize and reinforce the economy globally, financially, strategically, logically and politically to become a winner even in second global recession race upcoming in forth coming fiscal year i.e., 2022-23. The captain and his team always rescued our in most-trendy manner being a glittering-winner in many aspects and stabilize the economy in spite of global fall down. But for India none other economies proved that they are being a rescued living economy in most wealthiest manner relatively in spite of loss of most affectionate things during last 3 years, which may include health, wealth, income, relationship, monetary benefits, loss of job, salary with job and government benefits to the challenged of all sectors. When front-line-soldiers are in problem prime-minister took timely-decisions through CEOs of various states and Union Territories and brought them on to single-line with unique-decision-making-traits by providing suitable counselling sessions for administrators of both state and central level with his pragmatic and charismatic leadership.

Now the topic chosen by authors no way inferior to the decision and vision of union government and its support and the authors are sure that huge-bread had a stake and room for Micro-Entrepreneurs too, to redevelop, restructure, reenergize, rehabilitate and reiterate them out of COVID-WHIRL and get cutting-the-edge-advantage of financial-stir of a great-vibrant-visionary. It is proven Micro-Enterprises are the only panacea for the country like India, where citizens prefer to be independent decision-makers and built-in-characteristic to lead the people towards their vision and mission at every level. India is the land of politicians, administrators,

leaders, managers and entrepreneurs for that matter even at hamlet level of the economy; which could be the weapon to achieve policy-makers/torch-bearers vision may get translated as Sustainable Balanced Regional Development (SBRD) through en-strengthened, en-lightened, en-energized and en-enabled, and enviable entrepreneurs who re-born as neighbors-envy on global-arena with necessary ammunition, armor, artillery, articulation to make necessary-attempts to combat with economic and social evils that are detrimental to the interests of economy at any level irrespective of whether it is at house-hold, national and international.

In this study authors try to make an attempt to understand the impact of COVID-19 on viability of micro-enterprises for their issues, challenges, rescues, strategies, turnarounds and remedies in expectation of continued viability of enterprise in future and scope for diversification in general and study the problems of enterprises already expanded and diversified pre COVID period. This is mostly desk research followed by understanding experiences of local micro-entrepreneurs for their experiences and lessons from act of god.

As policy maker too know that micro-enterprises are the only weapons that eradicate the poverty, the illiteracy, poor-quality of life and poor living standards and causes for social, societal and economic empowerment that steadily increases the growth factor in all sectors that assured and rescued for Sustainable Balanced Regional Development. SBRD in-turn work as vicious-cycle for economy development that push all economic indices from its base level. It is a fact no policy-maker can create greatest-wealthiest economy or citizen in any country and everybody should know that even 50 lakh crores budget counted first with a single rupee only. Similarly the development index of any country starts with one enterprise and one person.

Hence, it should be digested by our policy-makers that unless and otherwise there is a significant-sustainable-development among individual-entrepreneurs and individual-households that there will not be any countable-considerable-indexation for any economy and India is not an exception to economic-commandments. At this juncture, the authors try to through some light by way of observations, findings, conclusions and recommendations some of them may look to be quite silly and other may be noble.

It is suggested by great economist if something is not available in the economy due to poor purchasing power of households let state take necessary initiatives to provide the same by hook or crook. It should not be understood like helicopter-money but helicopter-work in every hamlet/mandal. Government should revisit its industrial-licensing policy rather bureaucratic approvals following GOs prevalent at the time of granting license to do business. The government should take necessary initiatives and provide task-force to study the reasons for functional-failures in spite of many incentives provided by the government of every nature. What

is the root-cause for failures of micro-enterprises; it is simply poor marketing and receivables strategies that inevitably arise out of cruel-customers with a pretended intension of cheating or motive that is known as escapism/forgiveness/absconded from contractual obligation at the bottom of pyramid. It is a more dangerous/share weapon over and above a bribe in bureaucracy that kills economy rudely and that plunges both individual and enterprise into the huge social-loss.

Hence, there is a greatest obligation on the part of government machinery to conduct necessary surveys/census that helps to understand problems at grass-root level which helps policy makers to adopt macro-level decisions. Every macro-policy should hit positively at micro-level then only there will be meaning of vision-set of policy makers on development boards of the economy. The government should study and understand clearly the development indices and conduct both quantitatively and qualitatively the same to develop at bottom of the pyramid. There is no need look-back SBRD achieved automatically. During COVID period every country look at USA to rescue from crisis. Whereas, USA look at India for its strategies like a premier-spectacle because of the fact that India is an unsolved puzzle for its lessons to globe that how the economy and citizens sustained during pandemic. India not only having black-money also efficient in use black-magic and block-chain technology to forestall and arrest any pandemic of any kind. This holy land had solutions for everything and everyone the only thing is policy makers should focus on it and create awareness among citizens for betterment of own lives.

**Key Words:** Micro-Entrepreneurs, Micro-Enterprises, Households, Sustainable Balanced Regional Development(SBRD), Vicious-Cycle, Panacea, Development Indices, Functional Strategies, Poverty, Illiteracy, wealth, income, receivables, licensing policy, quality of life and living standards

### **Introduction**

‘Aatma Nirbhar Bharat A Game Changer’ an exploration & invention of VIDHATH OF MAHA-BHARATH i.e., none other than our Hon’ble Prime Minister Mr. Narendra Mode in his announcement of a Huge-Bread that provide a bed and act as a panacea that provide a base to get stabilize and reinforce the economy globally, financially, strategically, logically and politically to become a winner even in second global recession race upcoming in forth coming fiscal year i.e., 2022-23. The captain and his team always rescued us in most-trendy manner being a glittering-winner in many aspects and stabilize the economy in spite of global fall down. But for India none other economies proved that they are being a rescued living economy in most wealthiest manner relatively in spite of loss of most affectionate things during the last 3 years, which may include health, wealth, income, relationship, monetary benefits, loss of job, salary with job and

government benefits to the challenged of all sectors. When front-line-soldiers are in problem prime-minister took timely-decisions through CEOs of various states and Union Territories and brought them on to single-line with unique-decision-making-traits by providing suitable counselling sessions for administrators of both state and central level with his pragmatic and charismatic leadership. Now the topic chosen by authors no way inferior to the decision and vision of union government and its support and the authors are sure that huge-bread had a stake and room for Micro-Entrepreneurs too, to redevelop, restructure, reenergize, rehabilitate and reiterate themselves out of COVID-WHIRL and get cutting-the-edge-advantage of financial-stir of a great-vibrant-visionary.

It is proven Micro-Enterprises are the only panacea for the country like India, where citizens prefer to be independent decision-makers and built-in-characteristic to lead the people towards their vision and mission at every level. India is the land of politicians, administrators, leaders, managers and entrepreneurs for that matter even at hamlet level of the economy; which could be the weapon to achieve policy-makers/torch-bearers vision may get translated as Sustainable Balanced Regional Development (SBRD) through en-strengthened, en-lightened, en-energized and en-enabled, and enviable entrepreneurs who re-born as neighbors-envy on global-arena with necessary ammunition, armor, artillery, articulation to make necessary-attempts to combat with economic and social evils that are detrimental to the interests of economy at any level irrespective of whether it is at house-hold, national and international.

In this study authors tried to make an attempt to understand the impact of COVID-19 on viability of micro-enterprises for their issues, challenges, rescues, strategies, turnarounds and remedies in expectation of continued viability of enterprise in future and scope for diversification in general and study the problems of enterprises already expanded and diversified pre COVID period. This is mostly desk research followed by understanding experiences of local micro-entrepreneurs for their experiences and lessons from act of god.

As policy maker too know that micro-enterprises are the only weapons that eradicate the poverty, the illiteracy, poor-quality of life and poor living standards and causes for social, societal and economic empowerment that steadily increases the growth factor in all sectors that assured and rescued for Sustainable Balanced Regional Development. SBRD in-turn work as vicious-cycle for economy development that push all economic indices from its base level. It is a fact no-policy-maker can create greatest-wealthiest economy or citizen in any country and everybody should know that even 50 lakh crores budget counted first with a single rupee only. Similarly the development index of any country started counting only with one enterprise and one person.

Hence, it should be digested by our policy-makers that unless and otherwise there is a significant-sustainable-development among individual-entrepreneurs and individual-households that there will not be any countable-considerable-indexation for any economy and India is not an exception to economic-commandments. At this juncture, the authors try to through some light by way of observations, findings, conclusions and recommendations some of them may looks to be quite silly and other may be noble. It is suggested by great economist if something is not available in the economy due to poor purchasing power of households let state take necessary initiatives to provide the same by hook or crook. It should not be understood like helicopter-money but helicopter-work in every hamlet/mandal. Government should revisit its industrial-licensing policy rather bureaucratic approvals following GOs prevalent at the time of granting license to do business.

The government should take necessary initiatives and provide task-force to study the reasons for functional-failures in spite of many incentives provided by the government of every nature. What is the root-cause for failures of micro-enterprises; it is simply poor marketing and receivables strategies that inevitably arise out of cruel-customers with a pretended intension of cheating motive that is known as escapism/forgiveness/abscondout of contractual obligations at the bottom of pyramid. It is a more dangerous/share weapon over and above a bribe in bureaucracy that kills economy rudely and that plunges both individual and enterprise into the huge social-loss.

Hence, there is a greatest obligation on the part of government machinery to conduct necessary surveys/census that helps to understand problems at grass-root level which helps policy makers to adopt macro-level decisions. Every macro-policy should hit positively at micro-level then only there will be meaning of vision-mix of policy makers on development boards of the economy. The government should study and understand clearly the development indices and conduct both quantitatively and qualitatively the same to develop at bottom of the pyramid. There is no need look-back SBRD achieved automatically.

During COVID period every country looks at USA to rescue from crisis. Whereas, USA looks at India for its strategies like a premier-spectacle because of the fact that India is an unsolved puzzle for its lessons to globe that how the economy and citizens sustained during pandemic. India not only having black-money but also efficient in use of black-magic and block-chain-technology to forestall and arrest any pandemic of any kind. This holy land had solutions for everything and everyone the only thing is policy makers should focus on it and create awareness among citizens for betterment of own lives.

### **Scope**

As this is the desk-research, authors want to gain flavor to the topic by personal observations/interviews/understudy the local firms/business/enterprises especially in tiny sector through structured questions, unbounded views to gauge the intensity of problem of sustainability due to immediate competitors and rivals of difference nature e.g., local politicians, activists, poor-customers, potential-losses in recover of receivables, licensing authorities, rival of same filed, insufficient credit from banking institutions, rate of interest of local money lenders in unorganized sector, bad-debts, pressure of suppliers, unorganized-inventory, resistance from premier supplying agencies/dealers to extend credit and take back un-sold goods in-spite of the fact that there is no demand or moment of goods, stock-lifting, spoilages, pilferages, breakages, financial support from government authorities, stores-management issues, stores-rentals, deals aid/support against advertisement, problems facing from chain-super-markets, poor-quality-supplies, adulteration, unbranded-local-goods, margins, and moral support from the surround society.

### **Objectives**

To understand the problems and the root-cause for such problems

To estimate probable turnover loss due to lock-down

To assess credit issues related organized and unorganized suppliers

To identify credit issues related to lower and middle class customers.

To observe customer-behavior with respect to micro-entrepreneurs

To interview the owners of local firms/business/enterprises covered by tiny sector

To gauge the sustainability & continuation of business

To identify trade related problems from surround stakeholders.

To analyze recovery speed of receivables and credit availability& rate of interest.

To know the licensing issues and problems if any from local government authorities

To understand the financial arrangements of business from banks/institutions

To analyze the pressure of suppliers

To observe procurements, stores and inventory management practices

To observe practices against stock-lifting, spoilages, pilferages, breakages

To study the tax practices and issues

To observe problems facing from chain-super-markets

To understand the intensity of poor-quality-supplies, adulteration

To differentiate profit-margins between organized and unorganized sector supplies

To analyze their family support and children education of their family members.

### **Hypotheses**

- There is no significant difference between and amongst entrepreneurs in their source-causes in sustainability and continuation of business
- There is no significant difference between and amongst entrepreneurs in turnover loss and loss of revenue out sales during lockdown period.
- There is no significant difference between and amongst credit issues businesses
- There is no significant difference between and amongst entrepreneurs in their classification of customers in relation to recoveries.
- There is no significant difference between and amongst entrepreneurs in their customers with respect to micro-entrepreneurs
- There is no significant difference in perceptions about business continuity between and amongst entrepreneurs in relation to their business continuity.
- There is no significant difference between and amongst entrepreneurs in their credit recovery, and ability to raise credit from both organized & unorganized sectors
- There is no significant difference between and amongst entrepreneurs in procurements & stores practices and issues of stock-lifting, spoilages, pilferages, breakages.
- There is no significant difference in perception about big-market-chains between and amongst entrepreneurs.
- There is no significant difference between and amongst entrepreneurs in their quality of credit, quality-supplies and adulterations.
- There is no significant difference between and amongst entrepreneurs in their profit-margins.
- There is no significant difference between and amongst family members' level of education of small-entrepreneurs.

### **Methodology**

As this is preferably a desk research within the knowledge, scope and time to comment on the work a quick review took from local business-families with a general interview to observe various items specified above in both objectives and hypotheses. However it is initially planned for at least 30 houses to be completed but by the time work completed we hardly could study only 50 business houses with many interview questions and their responses noted in results and findings. It should be treated like a case study rather work/research paper as the objectives set are to understand very micro level in tiny sector where turnover of business is less than 10 Lakhs and that too non taxpayers. The selection of business houses used cluster in each locality without any quota on specific business and used convenience and purposive sampling such as near to main junction, within a locality where there is another rival in same/opposite lane within 100 to 200 meters range. However, five of them found to be odd-men out then the study continued with 45 only.

### **Literature Review**

- Main problems faced by the entrepreneurs are raw materials, marketing, power supply, labor, finance, technical, managerial and government policy. All these problems affect the overall performance of the business and better the performance the fewer may be the problems which in turn lead to lesser growth in terms of investment, employment etc (Rao, 1986).  
The small business houses suffer from some innate deficiencies like capital-availability, lack of knowledge, weak bargaining power, poor-credit, competition from large volumes of rival sects (Deb, 1993).
- Lack of communication skills, infrastructure, awareness on various schemes other bottleneck is also problems (Desai, 2006).
- The investment environment in this NE region is insecure because of the insurgency and terrorism prevailing. Frequent racial clashes, extortion of money by the insurgent groups etc. create an insecurity and become detrimental to local economy development (Lingaiyah, 1998).
- The enterprises which are run by an individual or a few partners usually suffer from some innate deficiencies like poor capital base, lack of knowhow, weak bargaining power, poor marketing capacity of products etc (Deb, 1993).
- When it comes to industrial-city like Hyderabad which is covered by Ranga Reddy, Medchal-New, Shad Nagar, Nalgonda. The number seems to be emergent a decade back. Now if we look into fate of current city in relation to small state like Mizoram we are simply incomparable with reference to investment horizon but to a great extent we have local terrorism by way huge interest rates usch 10% to 20% per month on unorganized sector and many business families committed suicide due to chronic indebtedness. The main tract of this phenomena is only customer absconding attitude from contractual obligations and

government announcement regarding no need to repay any obligation during severity of COVID but really what happening in industry is corporate customers and retail customer taking this advantage on unorganized sector as they are strong-enough to fight with the large part of society. The symptoms are found in upper middle class and high class customers especially. As they are repaying through credit-card-pay through credit card and going end of the day for settlement and postponing years together. Where in small business of local nature run on daily basis. This one of the huge losses for small business houses due to the reason that these enterprises do not have any kind of arrangement with credit card companies; moreover there was merchant charge from both sides 3% each that comes around 6% on turnover which is almost interest of post office savings for one year and many commercial banks of private sector pay lesser than that i.e., below 5%. On one single transaction NBFC and Private Sector Commercial Banks are earning One Year Interest on One day subject to minimum charges i.e. again 5%. It should be noted that banks like HDFC, ICICI, IDBI, they provide 5% interest on their fixed deposits but they charge 24% to 36% on financial arrangements and services like converting outstanding credit card outstanding balances which is very much greater than working capital, cash-key, CC and OD limits of any government sector bank.

- More to all the above they are not getting any incentives under the category of scheduled areas, notified areas, growth corridors and SEZ. Somehow government ill-treat small business houses; and do not extend the benefit they extend in lakhs of crores of rupees they extend for cosmetic growth of economy and end of the day they evade taxes, breach government agreement even in schedule a category industries. In reality these industries hardly provide 1 job for one crore of investment incentive. For example in 2015 an agreement went under Singapore Government and Private Sector Enterprises to build Singapore Town Ships in one of the regions in Andhra Pradesh for Rs.2500 Crore Deal and they hardly gave 2500 Jobs alone. Later the deal went under swill challenge.
- Efficient management of HR is one of the important factors that determines the growth and development of business enterprises (Jayabal and Nagarajan, 2008).
- Unlike large organizations, supervision and control mechanism in small enterprises are more direct and informal (Cassell, et al., 2002; Jackson, et al., 1989; MacMahon and Murphy, 1999).
- The owner-entrepreneur plays an important role in managing human resources in small enterprises (Koch, 1996).
- Employees are in direct contact with the owner-entrepreneur and are known to him personally. This is the reason that the entrepreneur's aspirations and tactics of the entrepreneurs shape the business culture of the enterprises (Marlow and Patton, 1993).

- Every single employee's performance in small enterprises is more important than in large enterprises because the per person's influence on productivity and profitability of the entire organization is higher in case of the former (Singh and Vohra, 2009).
- Government business loans are funding support provided in forms of loan schemes, initiated by the Government of India and are offered with the help of financial institutions like private and public sector banks, NBFCs, Regional Rural Banks, etc. Government business loans were introduced primarily to provide funding to individuals, business owners and MSMEs engaged only in trading, manufacturing, and services sectors. There are various loan schemes started by the Govt. that can be chosen, as per the nature of the business and requirements. Further discussed are the types, features, and eligibility criteria of business/MSME loans offers by banks and NBFCs, as well as loan schemes initiated by the Indian government (MSME 2021).
- There are more than 10 popular business startup loan schemes that the Indian Government provides to budding entrepreneurs. The salient features of the top 6 government business loans to start a new business are MUDRA Loan under PMMY:
- The Government has set up this scheme to provide finance to non-corporate, non-farm small/micro-enterprises. Mudra loans can be availed from private and public sector banks, commercial banks, regional rural banks (RRBs), small finance banks, and corporate banks. MUDRA loans are majorly used by small-scale businesses and startups. MUDRA (Micro Units Development and Refinance Agency). The Indian government established this organization to enable the non-corporate, non-farm small/micro enterprises with financial assistance. The loans are categorized under 3 names i.e., Shishu category extend a maximum of Rs. 50,000, where as Kishor scheme goes up to Rs. 5 lakh and finally Tarun loan scheme provided up to Rs. 10 lakhs.
- The main features of the above schemes are:
  - Collateral-free loans
  - Competitive Interest Rates from banks/NBFCs
  - Loan Amount up to Rs. 10 lakh
  - Nil Processing Fee
  - Zero prepayment charges
  - Repayment Tenure from 12 months to 5 years
  - Concessional Interest Rates for Women Entrepreneurs
  - Eligibility being an individual above the age of 18 years and below 65 years with clean defaulter record.
- Non-Corporate Small Business (NCSB) Segment comprising of individuals, MSMEs, sole proprietorships/enterprise firms in rural and urban areas can apply for the loan.

- Small manufacturing units
  - Service sector units
  - Shopkeepers
  - Fruits / vegetable vendors
  - Truck operators
  - Food-service units
  - Repair shops
  - Machine operators
  - Small industries
  - Artisans
  - Food processors and many other entities
- **Stand-Up India:** Governed by the Small Industries Development Bank of India (SIDBI), Stand up India was initiated to provide funding to people who come under SC/ST category and women entrepreneurs. This scheme provides bank loans between Rs. 10 lakh and Rs. 1 crore to at least one SC/ST borrower and one woman borrower per bank branch. Enterprises engaged in trading, manufacturing, or services sectors are considered eligible to avail loans under this scheme. In the case of non-individual enterprises, at least 51% of the shareholding stake should be with an SC/ST or woman entrepreneurs. Interest Rates (Base Rate (MCLR)) + 3% + Tenor Premium. Composite loans can be availed between Rs. 10 lakh to Rs. 1 crore to cover 75% of the project, inclusive of the term loans and working capital loans. The specification of the loan being expected to cover 75% of the project cost. However, it will not be applicable if the borrower's contribution along with convergence support comes from any other schemes that exceed 25% of the project cost.
  - **PSB/MSME Loans in 59 Minutes:** On Nov 5, 2018, the Prime Minister, unveiled a dedicated digital platform or web portal named [psbloansin59minutes.com](http://psbloansin59minutes.com) to enable loans of up to Rs. 5 crores within just 59 minutes of approval for startup businesses and MSMEs. This loan scheme was initiated by the Indian Government to provide financial assistance to the Startups, Micro, Small, and Medium Enterprises (MSMEs) throughout India. Some of the salient features are (1) Interest rate of 8.50% from Rs. 1 Lakh and up to Rs. 5 crore, (2) Collateral or Security is not mandatory, (3) as the online portal is directly linked to the Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) scheme, (4) Fast access to financial assistance, usually such loan processes take about 7-10 working days to complete, (5) the loan approval process takes just 59 minutes and Quick disbursal after the loan gets approved in an hour, you can expect the disbursals in 7-8 working days

### **Observations of current trend of local businesses in tiny sector**

- There are quite common as it is in text books but can't gauge because of their socio-economic backgrounds i.e. education of dependent children above secondary/professional, illiterate parents and dependents,
- Level of antecedent assets/ liabilities
- Increased personalized consumption level of goods/services during COVID based on family size
- Inappropriate credit level, size and demand for local unbranded goods.
- Unsold stock they couldn't clear due to the lock-down phenomenon and some stores items are expired due to time,
- In case of leftover goods the dealers of suppliers refused to take-back the same.
- Some of the customers doubted with COVID attack on old stocks
- Level of business came down but for branded well packed goods than local brands even for perishables and vegetables in case the entrepreneurs dealt by way slight diversification in business.

A schedule canvassed among local family business shop keepers in the urban villages and village urban area quite near to metro limits and surrounds of metro city Hyderabad. The following are data related to Chi-Square Tabled information along with hypotheses and corresponding inference in the same table about whether hypothesis accepted or rejected at different levels of significance i.e., . at 1%, 5% and 10%. Surprisingly, the rejection of hypotheses found at 10% LOS in some identities.

**Data Recording & Analysis along with interpretation**

<b>TABLE-1: LITTERACY LEVELS OF ENTREPRENEURS CHOOSEN FOR STUDY</b>							
Ho: There is no significant difference between male and female business enterprises at lower level in there literacy levels. Various level of significance i.e., LOS 1%=6.635, LOS 5%=3.841 and 10%=2.706)							
Data for Observed Frequency				Data for Expected Frequency			
DESCRIPTION	LITERATES	ILLITERATES	TOTAL	DESCRIPTION	LITERATES	ILLITERATES	TOTAL
FEMALE	10	15	25	FEMALE	12.22	12.78	25
MALE	12	8	20	MALE	9.78	10.22	20
TOTAL	22	23	45	TOTAL	22	23	45

Ho: is accepted as the Computed Value 1.778 is less than Table Value at all levels of significance. Hence it is hereby inferred that there is no significant difference in literacy levels between and amongst gender factor of entrepreneurs running small businesses.

**TABLE-2: PREFERENCE LEVELS FOR AVAILING LOANS BETWEEN MALE & FEMALE**

Ho: There is no significant impact of gender in preference loans from organized and unorganized financiers . Various level of significance i.e., LOS 1%=6.635, LOS 5%=3.841 and 10%=2.706)

Data for Observed Frequency				Data for Expected Frequency			
DESCRIPTION	ORG	UNORG	TOTAL	DESCRIPTION	ORG	UNORG	TOTAL
FEMALE	15	10	25	FEMALE	12.22	12.78	25
MALE	7	13	20	MALE	9.78	10.22	20
TOTAL	22	23	45	TOTAL	22	23	45

Ho: is accepted as the Computed Value 2.779 is insignificant at 1% and 5% of LOS, but significant at 10% LOS to be noted. . However, it is noticed that there is an impact of gender and also sectors in availment of loans.

**TABLE-3: WEALTH/INCOME LEVEL OF MALE & FEMALE ENTREPRENEURS**

Ho: There is no significant impact of income among owners of businesses. Various level of significance i.e., LOS 1%=6.635, LOS 5%=3.841 and 10%=2.706)

Data for Observed Frequency				Data for Expected Frequency			
DESCRIPTION	HIGH	LOW	TOTAL	DESCRIPTION	HIGH	LOW	TOTAL
FEMALE	15	10	25	FEMALE	12.22	12.78	25
MALE	7	13	20	MALE	9.78	10.22	20
TOTAL	22	23	45	TOTAL	22	23	45

Ho: is accepted as the Computed Value 2.779 is insignificant at 1% and 5% of LOS, but significant at 10% LOS to be noted. . However, it is noticed that there is an impact of income & wealth of entrepreneurs.

**TABLE-4: ACTUAL AVAILMENT OF LOANS BETWEEN MALE & FEMALE ENTREPRENEURS**

Ho: There is no significant difference between male and female business entrepreneurs in actual availment of loans irrespective of sector. Various level of significance i.e., LOS 1%=6.635, LOS 5%=3.841 and 10%=2.706)

Data for Observed Frequency				Data for Expected Frequency			
DESCRIPTION	ORG	UNORG	TOTAL	DESCRIPTION	ORG	UNORG	TOTAL
FEMALE	17	8	25	FEMALE	12.22	12.78	25
MALE	5	15	20	MALE	9.78	10.22	20
TOTAL	22	23	45	TOTAL	22	23	45

Ho is rejected as the Computed Value 8.22 is greater than critical value at all levels of LOS. Hence it is noticed that there is a significant association of gener and category of source of finance..

**TABLE-5: DEFAULTERS OF LOANS BETWEEN MALE & FEMALE ENTREPRENEURS**

Ho: There is no significant association of gender in running business and recover credit from defaulters . Various level of significance i.e., LOS 1%=6.635, LOS 5%=3.841 and 10%=2.706)

Data for Observed Frequency				Data for Expected Frequency			
DESCRIPTION	DEFAULT	NO-DEFAULT	TOTAL	DESCRIPTION	DEFAULT	NO-DEFAULT	TOTAL
FEMALE	6	19	25	FEMALE	10.56	14.44	25
MALE	13	7	20	MALE	8.44	11.56	20
TOTAL	19	26	45	TOTAL	19	26	45

Ho is rejected as the Computed Value 7.66 is greater than critical value at all levels of LOS. Hence it is noticed that there is a significant association of gender against defaulters of loan, which indicates that female entrepreneurship is dominant factor in running business successfully.

**TABLE-6: AWARENESS OF GOVERNMENT BENEFIT SCHEMES**

Ho: There is no significant difference between male and female business enterprises at lower level in there literacy levels. Various level of significance i.e., LOS 1%=6.635, LOS 5%=3.841 and 10%=2.706)

Data for Observed Frequency				Data for Expected Frequency			
DESCRIPTION	AWARE	UNAWARE	TOTAL	DESCRIPTION	AWARE	UNAWARE	TOTAL
FEMALE	18	7	25	FEMALE	15.00	10.00	25
MALE	9	11	20	MALE	12.00	8.00	20
TOTAL	27	18	45	TOTAL	27	18	45

Ho: is accepted as the Critical Value Claculated is less than that of table value at 1% and 5% of LOS only, but at 10% of LOS it had its affect on awareness of government benefit schemes based on gender. It may be further noticed that businesses run under female ownership look forward for incentives provided by government sector agencies and schems. This may be one major reason that women literacy and capcity building should be further strengthened at least to inculcate curiosity among them towards the economy that what union and state government promised and stand for them to uplift quality of living standards of women and life-style of women in the country.

**TABLE-7: MARGINS BETWEEN BRANDED AND UNBRANDED DEALERS IN SUPPLIERS**

Ho: There is no significant association between gender and brands in supply of goods. Various level of significance i.e., LOS 1%=6.635, LOS 5%=3.841 and 10%=2.706)

Data for Observed Frequency				Data for Expected Frequency			
DESCRIPTION	BRANDED	UNBRANDED	TOTAL	DESCRIPTION	BRANDED	UNBRANDED	TOTAL
FEMALE	20	5	25	FEMALE	17.22	7.78	25
MALE	11	9	20	MALE	13.78	6.22	20
TOTAL	31	14	45	TOTAL	31	14	45

Ho: is accepted as the Critical Value Calculated is less than that of table value at 1% and 5% of LOS only, but at 10% of LOS it had its affect on both gender and brand. It may be further noticed that branded suppliers looking for running of business quite responsibly with values. This may be one major reason that women empowerment should be further strengthened at least to inculcate values in business at both ends of suppliers and customers.

**TABLE-8: DIFFERENCE OF CREDIT ALLOWED BY BRANDED IS LOW & UNBRANDED IS HIGH**

Ho: There is no significant difference in credit volumes between and amongst branded and unbranded suppliers. Various level of significance i.e., LOS 1%=6.635, LOS 5%=3.841 and 10%=2.706)

Data for Observed Frequency				Data for Expected Frequency			
DESCRIPTION	BRANDED	UNBRANDED	TOTAL	DESCRIPTION	BRANDED	UNBRANDED	TOTAL
HIGH	18	7	25	HIGH	17.22	7.78	25
LOW	13	7	20	LOW	13.78	6.22	20
TOTAL	31	14	45	TOTAL	31	14	45

Ho: is accepted as the Critical Value Calculated is less than that of table value at all levels of significance and there is no significant impact on volume of credit provided by sectoral difference.

**TABLE-9: DIFFERENCE CREDIT EXTENSION BETWEEN BRANDED AND UNBRANDED SUPPLIES**

Ho: There is no significant difference between male and female business enterprises in extension of credit by both branded and unbranded suppliers of goods and services. Various level of significance i.e., LOS 1%=6.635, LOS 5%=3.841 and 10%=2.706)

Data for Observed Frequency				Data for Expected Frequency			
DESCRIPTION	BRANDED	UNBRANDED	TOTAL	DESCRIPTION	BRANDED	UNBRANDED	TOTAL
EXTENDED	18	7	25	EXTENDED	17.78	7.22	25
NOT EXTENDED	14	6	20	NOT EXTENDED	14.22	5.78	20
TOTAL	32	13	45	TOTAL	32	13	45

Ho: is accepted as the Critical Value Calculated is less than that of table value at all levels of significance and there is no significant difference between branded and unbranded suppliers in extension of credit irrespective of ownership of business. The main aim of suppliers is only spread of business without any room to any gender/sector.

**TABLE-10: LEGAL ACTION & BEHAVIOURAL DIFFERENCE BETWEEN ENTREPRENEURS & SUPPLIERS**

Ho: There is no significant behavioral difference between and amongst branded and unbranded supplies in proceeding towards legal action to recover credit extended by them. Various level of significance i.e., LOS 1%=6.635, LOS 5%=3.841 and 10%=2.706)

Data for Observed Frequency				Data for Expected Frequency			
DESCRIPTION	BRANDED	UNBRANDED	TOTAL	DESCRIPTION	BRANDED	UNBRANDED	TOTAL
FORMAL LEGAL	13	12	25	FORMAL LEGAL	15.56	9.44	25
INFORMAL UNFAIR MEANS	15	5	20	INFORMAL UNFAIR MEANS	12.44	7.56	20
TOTAL	28	17	45	TOTAL	28	17	45

Ho: is accepted as the Calculated value is less than that of table value at all levels of significance and there is no significant difference between branded and unbranded supplies in initiation of legal action and unfair means to recover the credit allowed by them.

**TABLE-11: SEZURE OF BUSINESS FORMAL IN CASE OF ORGANIZED AND INFORMAL UNORGANIZED**

Ho: There is no impact of seizure of business in case of organized and unorganized sector sources of finance.. Various level of significance i.e., LOS 1%=6.635, LOS 5%=3.841 and 10%=2.706)

Data for Observed Frequency				Data for Expected Frequency			
DESCRIPTION	SEIZURE FORMAL	SEIZURE INFORMAL	TOTAL	DESCRIPTION	SEIZURE FORMAL	SEIZURE INFORMAL	TOTAL
UNORGANIZED	19	6	25	UNORGANIZED	17.78	7.22	25
ORGANIZED	13	7	20	ORGANIZED	14.22	5.78	20
TOTAL	32	13	45	TOTAL	32	13	45

Ho: is accepted as the Calculated Value is less than that of table value at all levels of significance and there is no significant impact on seizure of business irrespective of sectors.

**TABLE-12:DIFFERENTIAL INTEREST RATES IN EXESTENCE BETWEEN ORGANIZED & UNORGANIZED**

Ho: There is no significant association between interest rates and prompt repayment of loans. Various level of significance i.e., LOS 1%=6.635, LOS 5%=3.841 and 10%=2.706)

Data for Observed Frequency				Data for Expected Frequency			
-----------------------------	--	--	--	-----------------------------	--	--	--

DESCRIPTION	VARY	DOESNOT VARY	TOTAL	DESCRIPTION	VARY	DOESNOT VARY	TOTAL
UNORGANIZED	20	5	25	UNORGANIZED	18.89	6.11	25
ORGANIZED	14	6	20	ORGANIZED	15.11	4.89	20
TOTAL	34	11	45	TOTAL	34	11	45

Ho: is accepted as the Calculated value is less than that of table value at all levels of significance and there is no significant difference in interest rates and also sectors under which the businesses are being operated.

**TABLE-13:REDEUCTION OF INTEREST RATES ON PROMPT PAYMENT OF PRINCIPAL**

Ho: There is no significant difference between male and female business enterprises at lower level in there literacy levels. Various level of significance i.e., LOS 1%=6.635, LOS 5%=3.841 and 10%=2.706)

Data for Observed Frequency				Data for Expected Frequency			
DESCRIPTION	PROMPT	UNPROMPT	TOTAL	DESCRIPTION	PROMPT	UNPROMPT	TOTAL
UNORGANIZED	15	10	25	UNORGANIZED	14.44	10.56	25
ORGANIZED	11	9	20	ORGANIZED	11.56	8.44	20
TOTAL	26	19	45	TOTAL	26	19	45

Ho: is rejected as the Calculated Value is greater than that of table value at all levels of significance. Hence, it is hereby inferred that there is no significant association between sources of finance and repayment ability of entrepreneurs. Which is really pinching, one side government is encouraging prompt repayment of credit they allow waiver of interest rates and reduce rate of interest in forth coming loans which was not applicable to businesses at bottom of pyramid. It is indigestible truth the entire economy depend on unorganized credit and business enterprises. Though source of finance is from formal to unorganized sector but ground rules are applicable to them only because of assessment of credibility and character of owner.

**TABLE-14: ATTITUDE OF CUSTOMER DEFULT-LEVELS AMONG ENTREPRENUERS**

Ho: There is no significant association between and amongst defaulters and gender. Various level of significance i.e., LOS 1%=6.635, LOS 5%=3.841 and 10%=2.706)

Data for Observed Frequency				Data for Expected Frequency			
DESCRIPTION	DEFAULTERS	NON DEFAULTER	TOTAL	DESCRIPTION	DEFAULTERS	NON DEFAULTER	TOTAL

FEMALE	19	6	25	FEMALE	15.00	10.00	25
MALE	8	12	20	MALE	12.00	8.00	20
TOTAL	27	18	45	TOTAL	27	18	45

Ho: is accepted as the Calculated value is less than that of table value at all levels of significance and then it is inferred that there is no association between amongst owners ship and default rate business houses.

**TABLE-15: CUSTOMER RECEIVABLES RECOVERY RATE AMONG ENTREPRENEURS**

Ho: There is no significant impact of gender on volume of credit. Various level of significance i.e., LOS 1%=6.635, LOS 5%=3.841 and 10%=2.706)

Data for Observed Frequency				Data for Expected Frequency			
DESCRIPTION	HIGH	LOW	TOTAL	DESCRIPTION	HIGH	LOW	TOTAL
FEMALE	18	7	25	FEMALE	14.44	10.56	25
MALE	8	12	20	MALE	11.56	8.44	20
TOTAL	26	19	45	TOTAL	26	19	45

Ho: is accepted as the Computed Value 4.663 is insignificant at 1%; but at 5% and 10% of LOS it makes lot of difference. Hence, it noticed that there is an impact of categorization of repayment of credit makes lot of difference in recovery receivables from customers. Further it is noticed that customers somehow or other prompt in case of businesses maintained under female ownership.

**TABLE-16: DIFFERENCES IN EXTENSION OF CREDIT TO DEFAULT CUSTOMERS**

Ho: There is no association of categorization of supplier in extension of credit to their customers. Various level of significance i.e., LOS 1%=6.635, LOS 5%=3.841 and 10%=2.706)

Data for Observed Frequency				Data for Expected Frequency			
DESCRIPTION	DEFAULTER	NON DEFAULTER	TOTAL	DESCRIPTION	DEFAULTER	NON DEFAULTER	TOTAL
CREDIT EXTENDED	17	8	25	FEMALE	13.89	11.11	25
NO CREDIT	8	12	20	MALE	11.11	8.89	20

TOTAL	25	20	45	TOTAL	25	20	45
<p>Ho: is accepted as the Computed Value 3.528 is insignificant at 1% and 5% of LOS, but significant at 10% LOS to be noted. . However, it is noticed that there is an impact of categorization of repayment of credit makes the difference in extension of supplies.</p>							
<p>END OF CROSS TABLES</p>							

**Turnarounds & Remedies for Micro-Enterprises & Micro Entrepreneurs:**

Many of the business houses want to diversify like mini-super markets in local areas but the problem is funding issues. Local unorganized credit sector charging different rates of interest ranging between 5% and 10% without any collateral against loans. Profit or turnover margins are quite less from branded suppliers and unbranded goods are not in demand by customers. They are unable to run family like any other worker even unorganized labour like adda-labour at cross roads because of measure level of income that too indefiniteness involved. In case of recovery from customers during the COVID period it is a bitter experience from customers as they do not give cell/mobile numbers at the time taking goods/provisions on credit it is face-to-face credit extended by businessmen looking at frequency of purchase in last one or two years. Mostly customers are not reluctant but finance problems they face due to COVID made them so persistent in non-payment of 2-3 months credit in books of accounts. If 100 customers adhere to this practice one side demand from suppliers they extend credit hardly 1 week to 3 weeks range customers recovery is 3-6 months range and local banks/government do not extend any benefit in this respect. Cost of rent, interest, principal repayment, slow and sluggish moment of sales due to COVID fear pull them indebted and blamed by the society being an unsuccessful business men even blamed by own family members. Now their cry is that neither they can stop business and go to cross roads as helper/labour on adda. Their lives better after COVID and they are charging Rs.1000/- per day and making them to earn at least Rs.20,000/- in a month. Even after continuing business in two shifts every day we are unable to get a margin equal to Rs. 5.00 lakhs per annum with lot of indefiniteness and indebtedness.

**Conclusion**

As the study conducted in very narrow sense may not quite representative to the universe and the problems noticed by small segment of family businesses may not fit at macro level decision at policy level. Still there is a scope in view of demonetization case in recent past, same way the small business houses should be bring into the ring and made them formal not only by way of digitized payment channels such as Google-Pay, Amazon-Pay, Paytm, Phonepay etc. It is not sufficient enough to wash hands by policy makers simply our job is over. They should find out

the appropriate solution to address the root-cause for such problems in unorganized sector for both ends i.e., Supply & Customer chains by devising new digital channels such as auto bill discounting credit, auto-credit, auto-stock-hypothecation, auto-packing-credit. This is possible, as all business houses more or less had GSTIN, PAN, TAN etc., no longer they should treat as individual credit ratings. They should be directed towards online procurement and supplies, which will be directly tagged through threads for PAN/GSTIN/TAN/UID/VID/PASSPORT of customers and suppliers then both ends government, can provide credit-shield. This story ends at no physical money required at any end paper currency no need to be printed by RBI, why because at all levels production, exchange, distribution RBI & Local Government had its legs and entire economy rescued out of financial crisis. The logic of this mechanism is simple as Dr. Marshal price theory for demand and supply. That is, government will be buyer and seller both ends the credit risk reduced ownership retained with government on goods and services at all locations. Moreover, government can directly enter into local business through franchises, civil-supply-dealerships, corporate retailers, super chains, production houses and gigantic monopoly houses who are the suppliers to local businesses and customers. This vicious cycle negatively-reacts and support for growth of economy and improvement quality of living standards, lifestyle, credibility, reliability, control over economy, green-money-transactions and lead to transparent business economy. If everything goes in right manner; government even may think employing the owners in the own business with guaranteed profit in business and provide profit share to entrepreneurs under a different title i.e., 'OWNERS-EMPLOYMENT' and 'EMPLOYED-OWNERS'. This is not new to the economy, the concept was tried in transport sector for notified populous in government, when government unable to get some of their corporation for fleet expansion, partially the concept was successful with a tag line i.e., 'DRIVE-YOUR-OWN-BUS-AS-OWNER-RATHER-DRIVER-EMPLOYED' get your salary as usual, if you are interest buy the same bus if you are interested after clearing loan by the government, otherwise continue your employment. Here, loyalty of employee increased one side and on the other side financial crisis of corporation is shoot-out simply. The story is if RTC ask budget to be raised to Rs.5000 Crores, If they go for commercial loan it is a minimum of 12% per annum on procurement cost, which is unbearable to corporation and government. Now due to special drive the loan interest rate is 3% for drivers of notified category under self-employment scheme which is rightly caught under new tag-line. The same theory should be followed in all sectors such as agriculture, education, services, fleet, manufacture what not all sectors. Indirect private-public-partnership at bottom of pyramid level. It is not easy task but this is the only way to arrest malpractices of citizens, corporates and especially political interferences in government machinery. It automatically reduce political disturbance on economic growth and development. It automatically stands for Sustained Balanced Regional Development (SBRD). It automatically

rectify economic disparities and government is owner of everything that is tangible or intangible in the country directly and indirectly, it should not be misunderstood with the term political ownership. We must differentiate politician with government, politicians work for individualized issues in their region, but whereas government make it as a policy in the interest of nation.

### **Future Scope**

- Study the root-cause for problems sector wise, category wise as identified by MSME.
- Estimate probable turnover loss due to uncontrollable problems in unorganized sector
- Assess credit issues related organized and unorganized suppliers especially in unorganized sector
- Identify credit issues related to lower and middle class customers and provide power-pay accounts
- Observe customer-behavior with respect to micro-entrepreneurs
- Interview the owners of local firms/business/enterprises covered by tiny sector in large volumes
- Gauge the sustainability & continuity of business and stabilize with suitable policy by EDIs.
- Identify trade related problems from surround stakeholders and provide suitable solution for disguised entrepreneurship.
- Analyze recovery speed of receivables and credit availability with controlled rates of interest.
- Focus on licensing of small businesses and not to confine only on shops & establishment department
- Build suitable regulatory agency exclusive to support both suppliers & customers
- Understand the financial arrangements of business from banks/institutions and eradicate bureaucratic and red-tape issues
- Study the tax practices and issues and bring them into organized sector
- Control the intensity of poor-quality-supplies, adulteration and harm to the economy

### **References**

- Barnard, Chester I (1939), *The Functions of Executive*, Harvard University Press, p.256
- Cassell, C., Nadin, S., Gray, M and Clegg, C (2002),
- Deb, Ranabijoy (1993), *Small Scale Industries in India: A Case Study from Assam*, Mittal Publication, New Delhi.

- Desai, Vasant (2006), Small Scale Industries and Entrepreneurship, Himalaya Publishing House, Mumbai.
- Exploring Human Resource Management Practices in Small and Medium Enterprises, Personnel Review, vol. 31, No. 6
- Jackson, S.E., Schuler, R.S and Rivero, J.C (1989), Organisational Characteristics as Predictors of Personnel Practices. Personnel Psychology, vol. 42,
- Jayabal, G and Nagarajan, K (2008), 'Entrepreneurial Failures :Causes and Cures', in Current Trends in Entrepreneurship
- Koch, M.J (1996), Improving Labour Productivity: Human Resource Management Policies do Matter, Strategic Management Journal, vol. 17, No. 5
- Lingaiah, K (1998), Industrialisation in Tribal Areas, RBSA Publishers, Jaipur.
- MacMahon, J and Murphy, E (1999), Managerial Effectiveness in Small Enterprises: Implications for HRD, Journal of European Industrial Training, vol. 23, No. 1
- Marlow, S and Patton, D (1993), Managing the Employment Relationship in the Smaller Firm: Possibilities for Human Resource Management. International Small Business Journal, vol.11, Rao, N. Gangadhara (1986), Entrepreneurship and Growth of Enterprise in Industrial Estate, Deep & Deep Publications, New Delhi.
- Rao, N. Gangadhara (1986), Entrepreneurship and Growth of Enterprise in Industrial Estate, Deep & Deep Publications, New Delhi.
- S.Mohan and R. Elangovan Deep and Deep Publication, New Delhi, p.275
- Singh, Manjari and Vohra, Neharika (2009), Level of Formalization of Human Resource Management in Small and Medium Enterprise in India, The Journal of Entrepreneurship, Sage Publication, New Delhi, vol.18, No.1, Jan – Jun.
- Third Census of Small Scale Industries (2001-02), Ministry of Micro, Small and Medium Enterprise, Government of India, New Delhi.
- [www.msme.gov.in](http://www.msme.gov.in)
- [www.nsic.co.in](http://www.nsic.co.in)