

The Role of SDM Processes: A Sustainability Development of MSMEs in Jharkhand

Swarnlata, Dr. Kumar A.N Shahdeo

(Research Scholar)

Department Of Commerce and Business Management, Ranchi University, Jharkhand

(Associate Professor)

Department of Commerce and Business Management, Marwari College, Ranchi

Cum Finance Officer, Ranchi University, Ranchi, Jharkhand

ABSTRACT

A process through which sustainability development arrived at the strategic decision making using the prior research and empirical evidence that measures the significant generic dimension, that refers to the comprehensiveness, rationality, formalization, configuration of the process and politicization. Secondly its related to other factors like decision specific and characteristic (such as management level decisions), external environment (government policies, natural resources, other factors) investment nature, such significant impact on the firm as a whole and on its long-term performance. Jharkhand is rich in mineral resources, forests, woodlands which occupy more than 29% of the state which is among the highest in India.

Role of MSMEs in development scenario it is a “Growth Engine” in one word that define social and economic growth not even the state including nation. In MSMEs sector the largest workforce after agricultural, it is an employment creator with low-cost investment that have a significant contribution to economic development of the country, where thousands of people are unemployed and confront poverty related difficulties. MSMEs work as pillar stone on social inclusion as there has been incorporation with traditional business to entrepreneurial skill development trend to more utilization of labor-intensive production, boosting employment generation, equitable income distribution and facilitate livelihood opportunity through simple value adding processing activity that shows different aspects of MSMEs in large scale of innovation, evolution, and uncertainty.

Key Words --

Social Inclusion, Decision, Livelihood Opportunity, Innovation, Economic Development.

1. Introduction

1.1 Economic Growth and Evolution of MSMEs in India

In ancient time's Indian small-scale business have been a significant role in Indian economy since British era to Post Independence over the decades the MSME's sector has evolved to

show itself as a vibrant and dynamic component of the grass root of economy sustainable development.

These periods are divided into “pre-British rule, pre-Independence and post-Independence.” The pre-British period of Indian economy was initially agrarian. A vast geographical part of population depends upon agriculture. They had limited market access only they fulfill the need of local market. However, the significant portion of this production is exported, mainly textile, utility oriented, wooden work, jewelry, artistic work.

The East India Company (British rule, EIC) grew and the Mughal Empire started declining through political prominence and power. British rule started taking political shape during the same time the Industrial revolution in Europe and America attained great heights, therefore new manufacturing processes were implemented in these areas for the mass production of goods during this period the raw materials become more dominant than finished goods for export the British monarchy and the Indian Industrialization also brought mass production units in the country. Local industries became victims for market situations, they destroy the future growth or evolutionary prospects of Indian industries.

The political landscape changed in post-Independence of business environment; under the guidance of socialist ideals the political leadership took the route of a planned but mixed economy. The “National Planning Committee was established in 1938 by the Indian National Congress. This committee was equal responsible for providing formal identification of small scale and cottage industries. In 1947 industrial conference was a critical event for the formal identification of cottage industries. In the same year industrial policy resolution (IPR 1948) which aimed to control and regulate industrial sector in India. The GOI also established the small-scale industries in India 1955 this definition has under gone several changes over arises the course of history. In 1977 a new word is created for small industries was identified named as Tiny Industries.

Today’s MSMEs originated from the needs of the rural trade Centre of that time, it’s also a great cycle of growth and recognition. The government continually focused on the systematic development of these units, through various rules and regulations have emerged. The government established the ministry of SSI (Small Scale Industries) and Agro or rural industries in October 1999, aim to explore more conducive environment to grow. The ministry also divided into small scale industries and Agro or rural industries in September 2001. The former ministry of small-scale industries and agro or rural industry were consolidated into the ministry of micro small and medium enterprises on October 2th 2006 because of changes in the government of India Rules in 1961 (Allocation of Business). The MSME’s Act 2006, the

government are full support and diversify of India's traditional industries such as coir, khadi and silk as well as small scale services and enterprises. These MSME are essential for the growth of an area that create new jobs opportunities and advancement of community development, more than 90 percent of all enterprises are found in this sector is to creating and credited more jobs and contributing significantly contribution in export for other countries. Due to the globalization the challenges face for MSME's in global marketing in innovation and digital technology in every business process to make it more efficient. The use of digital technology in business processes not only to creates cost efficient but also time and energy efficiency, such as digital marketing application to easily sell product through social media, websites, or digital advertisements these uses of tools for the product planning process, production, packaging, technology-based branding is the step to increase the competitiveness's of MSME's in the global market.

1.2 Review of Literature

There are many studies that have been focused from time to time on the aspects of MSME's as a dynamic and vibrant tool for sustainable development as different adumbrate strategic decisions are taken for growth and development of MSME's globally, at the same time major studies are related to growth of MSME's, role of MSME's, Scheme performance for challenges and evaluations so on.

M A Abdullah & Hoetoro, 2011 In developed and developing countries, there are many programs to empower MSMEs that have worked well and made significant progress. In general, the objectives of each MSMES development policy can be categorized into the following categories: For creation of an industry itself; supporting industry; industrial sector reform; and employment.

R. Lahiri (2012) MSMEs were defined, as well as the opportunities and problems that they face. Due to the multiple advantages that globalisation provides, MSMEs confront significant limitations in their growth. Small enterprises confront a variety of difficulties, including product standards and severe quality control, anti-dumping legislation, and subsidy reduction.

Hailey, 1991; Razak & Abduh, 2012 Micro, Small and Medium Enterprises (MSMEs) have an important role in contributing to economic growth, employment creation, industrialization, wealth creation, output expansion, local resources utilization and adaptation to technology which can be reflected in the increase in Gross Domestic Product (GDP) and an increase in the amount of employment (Asmy et al., 2016b; Harif, 2010; Salleh & Abdullah, 2015; World Bank, 2011).

Srinivas. K.T. (2013) studied the Role of Micro, Small and Medium Enterprises in Inclusive Growth. He attributed that the performance of MSMEs and its contribution in Indian GDP and found that the MSME contribution in Indian economy is inevitable. He suggested to take appropriate measures for further improvement of MSME sector.

Globalization and the characteristics of Indian MSMEs were investigated in a study by A. Deveshwar (2014), who looked at the influence of globalisation on the growth of MSMEs. Globalization has had a negative impact on the growth of MSMEs in terms of units, job creation, production, and export, according to the researcher's examination of numerous pre- and post-globalization development criteria. According to a recent survey, globalisation poses a severe danger to India's small and medium sized companies (SMEs).

Babu, R., Bandeiah, CH., and Venkateswaralu, M. (2014) in their study "Role of Micro, Small and Medium Enterprises in Indian Economic Development" observed the role and contribution of the MSME in the growth of Indian economy and employment generation. The researchers observed the various MSME parameters which influence the Indian economy like number of total MSMEs in India and its investment, production and employment measures and they found that the MSME occupies significant place in growth of Indian economy.

Kemi Olalekan Oduntan. (2014) has discussed conceptual issues of definition, structure, and role of SMEs by idealizing its operational working under a market economy. In his study he highlighted the both failures and success and the researcher suggested that government should dissipate less energy in the promotion of foreign direct investment (FDI), rather policies that promotes and sustains SMEs should be formulated and implemented for economic sustenance and self-reliance.

Strategic decision making was defined as a phase that involves making important decisions for a firm's survival (Eisenhardt & Bourgeois,1998; Elbanna,2018; Reggiers et at.2016; Schwenk 1995). Schwenk (1985 & 1995) explained two kinds of decisions making dimensions; rationality and Bounded rationality. Both are the decision process that mostly apparent in individual decision making differentiate by accumulation of information in the decision process Epstein,1995; Artinger et at; 2015).

Deligianni et al. (2015) also finds strategic decision making into rationality and bounded rationality. Although the argument stated that rationality is the most dominant factors for strategic decision. The argument is investing resource, time, and effort to complete the information when making a strategic decision does not "create waste" but is a useful activity. Therefore, by having a rational process firm can also increase control of firm performance

because it ensures that project taken will be managed based on the information gathered. Brouthers et al.(1998) and Artinger et al.(2015) find strategic decision in small firms getting bigger the process of decision – making will be much more complex, therefore small firms posit simple but the analytical decision-making process. This entanglement provides fertile ground on which rational and heuristics can flower, in order to cover incomplete information in an uncertain environment.

Gilda Farajollahzadeh., Abdol Rahman Noorinasab., and Babak Yazdanpanah.(2016) in their study “Role of MSME in Economic Growth ” studied the policy support and opportunities for MSME and examined the growth and contribution of MSME in India and they found various assistance that were rendered by Ministry of MSMEs and other commercial banks in order to develop the Indian economy and improve the employment opportunities.

Sarita Satpathy., Sailaja Rani., Nagajyothi, M.L. (2017) in their study “A Study of Micro, Small and Medium Enterprises; the Backbone for Economic Development of Indian Economy” and highlighted the contribution of MSMEs with respect to total number of products, gross domestic product (GDP), employment, fixed investment in Indian economy and focused the growth rate of MSME Sector in comparison to another sector. The researcher found and concluded that this sector is having sufficient potential and possibilities to accelerate industrial growth in programme like “Make in India” and they suggested that the government to be taken further more measures for the betterment.

S. Gade (2018), the MSMEs sector has contributed significantly to India's economic growth and has identified areas where further development is required. According to the author's research, MSMEs may have a favourable influence on the economy and its future prospects. MSMEs have been proved to be an efficient way to use India's enormous natural resources while also giving more equitable possibilities for development to the general populace.

S. Mukherejee(2018), both the government and companies need to do more to boost India's competitiveness in the MSMEs sector. According to the study, investing in R&D, technical innovation, and digitally enabled platforms, as well as human resources and financial inclusion, is one of the greatest strategies to reduce the infrastructure gap. Other ideas include lessening regulatory constraints on firms, boosting finance availability, and investing in human resources. If the a fore mentioned strategies are applied, the researcher thinks that Indian MSMEs would be better equipped to compete in the global market.

1.3 Objective of the Study

- The growth of new and existing MSME’s units in the state.

- To integrating skill and employment opportunities efficiently.
- To rejuvenate MSMEs traditional business-like handloom, handicraft, khadi, and textile.
- To investigating MSMEs enterprise characteristics and environmental variance in strategic decision-making processes.

1.3 Research Methodology

The methods of data collection used to study the significance and development based on empirical observation and different reports available from various journal and e-journal, also based on secondary data sources and discussions with key stake holders the information was collected.

2.0 MSME's to Sustainable Development Goal (SDG's)

Acs, Boardman, & McNeely (2013) stated that the success of MSMEs comes from social motivation, highly innovative efforts that are able to create significant economic values (Acs, Audretsch, Lehmann, & Licht, 2016). Lumpkin et al. (2013) have shown that correlation exists between four antecedents (mission/social motivation, identification of opportunities, access to resources/funding, and various stakeholders) and three outcomes (i.e. social value creation, sustainable solutions, and satisfying many stakeholders) as well as five MSMEs' orientation dimensions (innovation, proactive, risk taking, competitive aggressiveness, and autonomy) (Lumpkin & Dess, 2015). SDGs and MSMEs, seen from the aspect of mission, indirectly have close economic and social relations (George, Howard-Grenville, Joshi, & Tihanyi, 2016; United Nation, 2017a, 2017b).

Pickernell, Jones, Thompson, & Packham (2016) offered insights for the determinants of the success of MSMEs. Pickernell et al. (2016) showed that the determinants of the success of MSMEs include (1) the industrial sector; (2) MSMEs age; (3) characteristics of owners and managers; and (4) MSMEs' resources (human resources, technology, and intellectual property).

The objectives of the SDGs are to encourage inclusive and sustainable economic growth, employment opportunities and acceptable work for all where MSMEs take section of achieving these goals. MSMEs support the poverty alleviation and creating a sustainable business environment in realizing the SDGs.

2.1 Role of SDM (Strategic Decision-Making) Processes to MSMEs

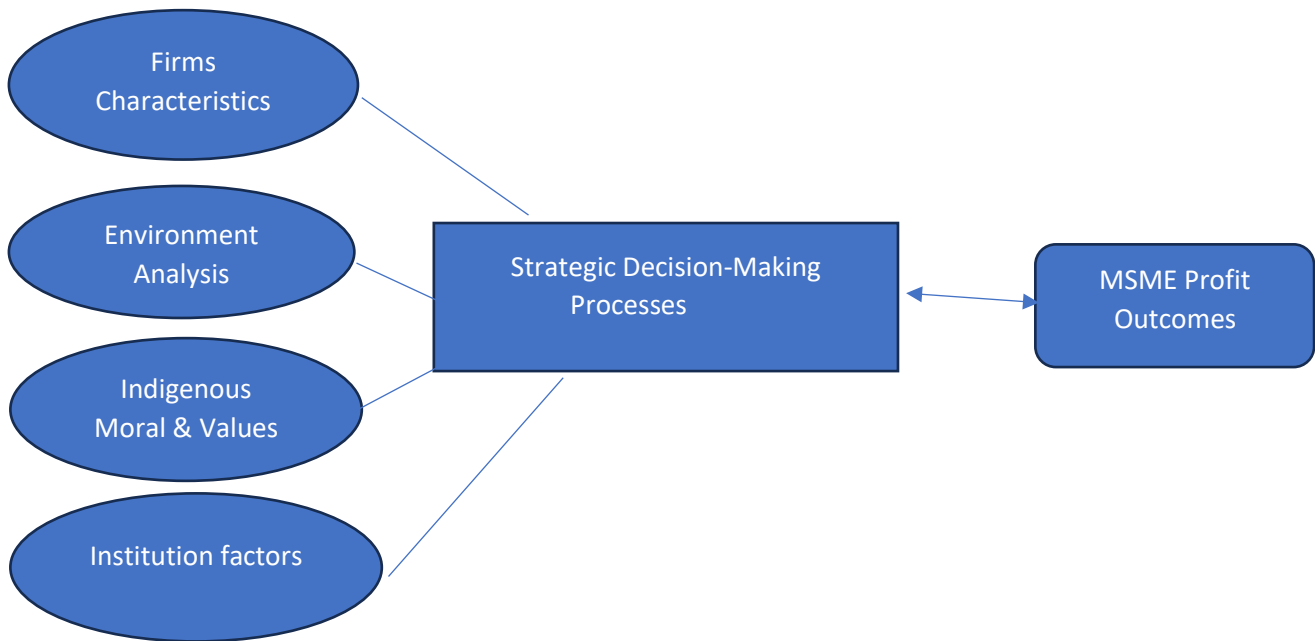
Micro small and medium sized enterprises (MSMEs) play a key role in the recent market trend.

Robinson & Pearce, 1983; The success of small firms is too a large extent dependent upon strategic decision-making practices. Brouthers et al., 1998 Strategic decisions made by small and medium sized business owners form the heart of entrepreneurship and can therefore be considered essential for economic development. Yet, little is known about the decision-making process of those who oversee small firms. Past research focused mostly on the ‘procedural rationality.’

of decisions in large multinational firms). Eisenhardt & Zbaracki, 1992 These processes are often complex, involve multiple actors and are frequently an outcome of politics. Papadakis et al., 1998, (Brouthers et al., 1998; Gilmore and Carson, 2000) that the decision-making processes of entrepreneurs in small businesses are different, which implies that many current models of strategic decision-making are not suitable for explaining decision-making in small firms. Busenitz and Barney (1997) assert that entrepreneurs are more susceptible to the use of decision-making biases and heuristics than managers in large organizations, which would imply a distinct decision-making process.

Strategic management and decision-making processes were previously underestimate by the MSMEs for a long term. Although in small scale managers believed that market research experience, institutions and operability are the key success factors of their management work. The opinions have been recently changed in the management practice. A new perspective in the strategic decision-making process framework, but also suggests new perspectives of firms, environment, institutions, and indigenous characteristics as the new approach that magnifies Strategic decision-making’s processes with respect to MSMEs scale. Research, design, methodology, and approach: - the test sample of 258 enterprises of Jharkhand state out of which 121 micro enterprises, 51 small enterprises and 86 medium size enterprises. The company size categorisation within this sample is corresponding to the MSME structure, due to lack of awareness of procedures for development of essential strategic formulation, such as; the purpose is to clarify i.e.; the mission and vision for the business in future, through gather and analysis the information can choose a correct framework, identify the priorities for formulating the strategies, take initiatives through implementation lastly buildout plan for evaluation and control. So more than 60 percent MSMEs do not have such strategy formulation plan similarly result were obtained with respect to the development of a strategy using the methods of strategy situation analysis thus, finding is alarming and its adverse impact can primarily be expected in a period of economic recession or downturn, not prepared for future, only short-term profit should be gained in market.

MSME’s factor to Analysis



2.2 Credit Potential for MSME's in Jharkhand

Jharkhand is the 28th state of the Indian union. Jharkhand spans an area of 79,700km, located in eastern Indian. Nearly 75 percent of population of the state is tribes. Jharkhand is a mineral state and account of 40 percent of mineral wealth of India. The region account for 35.5 percent of the country known coal resources 90 percent of its cooking coal deposits 40 percent of its copper 22 percent of its iron 90 percent of mica and huge deposits of bauxite, quartz, and ceramics. The potential of the MSME's sectors in generating employment for the youth of the state. Jharkhand has achieved remarkable success in sericulture and the MSME's sector and is rightly diversifying the industrial portfolio to others sectors as well. MSME's are the backbone of Indian economy, In Jharkhand state contribution approx. 26.83 percent of the GDP and 49.35 percent of the total export, as per "Udyan Portal" more than 1.24 crore MSME are registered and providing employment 8.83 crore people as on 2023.

Traditional industries like khadi, handlooms, handicraft, silk, lac and shellac Tabacco, stone and wooden industries are prominent MSME's of the state. Jharkhand is the largest producer of tasser silk. GOI (Government of India) has sanctioned a mega handloom cluster development scheme in favour of JHARCRAFT. The scheme will help in infrastructure, design and marketing development of the product made by rural people such as, Godda, Dumka, Sahibganj, Deoghar and Jamtara Districts. Jharkhand state is rich in handicraft, there are more than 40 types of handicraft such as, kantha, applique, satin stitch, tie & dye, terra-cotta, tasar 28 print papier-mâché , dhokra, agarbatti making, bamboo and leather craft, pyattkar and

jadopatia painting, tribal jewelry, pearl jewelry, paper packing, this emphasis will be on domestic as well as international market e-commerce platform shall be utilized to improve the handicraft product.

Jharkhand also producing tasar cocoons (raw materials of tasar silk) the past cocoons activities having large employment opportunities were taken up on very small scale in other state.

State-wise Estimated Number of MSMEs units and Employment

S. No.	State/U.T.	Number of MSMEs (in Lakh)	Employment (in Lakh)
1	Andhra Pradesh	33.87	55.99
2	Arunachal Pradesh	0.23	0.41
3	Assam	12.14	18.15
4	Bihar	34.46	53.07
5	Chhattisgarh	8.48	16.86
6	Delhi	9.36	23.00
7	Goa	0.70	1.60
8	Gujarat	33.16	61.16
9	Haryana	9.70	19.06
10	Himachal Pradesh	3.92	6.43
11	Jammu and Kashmir	7.09	10.88
12	Jharkhand	15.88	24.91
13	Karnataka	38.34	70.84
14	Kerala	23.79	44.64
15	Madhya Pradesh	26.74	48.80
16	Maharashtra	47.78	90.77
17	Manipur	1.80	2.92
18	Meghalaya	1.12	1.91
19	Mizoram	0.35	0.62
20	Nagaland	0.91	1.77
21	Odisha	19.84	33.26

3.0 Conclusion and Implication

Based on the study concludes that sustainable development of the micro small and medium enterprises has emerged as a highly dynamic economic growth its contribution in social and economic development of the country by fostering entrepreneurship and generating the large employment opportunities on a comparatively lower capital cost next only to agriculture. The Ministry of Jharkhand state runs various MSME related schemes to be aimed at financial assistance, technology assistance and upgradation infrastructure development and skill development or training enhancing as per recent competitive market demand. As recent new input includes in Jharkhand for online “Udyam Registration” on a Potal developed by the Ministry they existing and prospecting entrepreneurs may file their Udyam registration online

enter different category. To facilitate the enterprises to take benefits of various schemes the offices of development launched a web-based application module.

Strategic Decision- Making Process (SDMP), in MSME to proves positively influences the project performance such as decision process of the bidding price, project location and environmental conditions that completely influence the firm performance, as environment characteristic have a significant effect on SDMP. This is overwhelming as MSME enterprise level of decision process which is the fact that they struggle with the uncertain environment over lack of human capital and resources.

The decision-making process also be limited of information in an uncertain environment support, hence, firm resources and structure as they influence SDMP. The indigenous characteristics that prove to have a negative influence as a firm strategic decision, due to local community-based people perceive their tribal culture and values as belief that should be applied in their daily lives indigenous people as the new perspective on shaping the strategic decision making.

The government also play a significant role in institutional areas as rules and regulation they made in order to control people or the way organisation interact with one another to influence a firm strategic decision making, and uplift the economical or social growth to increases the employment opportunities to promote such MSME's enterprises.

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