

PERSONNEL CHALLENGES AND REVIVAL STRATEGIES FOR MSMEs IN HARYANA

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Abstract *This article examines the personnel challenges faced by the Micro, Small, and Medium Enterprises (MSMEs) sector in Haryana State, India, and provides probable revival remedies. The study includes three components of personnel challenges, such as the attentiveness of employees, training, and recruitment. The study is based on primary data that has been collected from 384 entrepreneurs using a structured questionnaire from six districts in each division, i.e., Yamuna Nagar (39), Faridabad (93), Gurugram (103), Hisar (49), Sonapat (40), and Panipat (60), following the using the Krejcie and Morgan (1970) table. The data have been analysed using SPSS-29 with statistical tools, i.e., frequency, mean, t-test, one-way ANOVA, and percentage. The study found that entrepreneurs in the state faced personnel-related issues, i.e., low cooperation among employees, family problems, strikes, high labour costs, a lack of skilled workers, a lengthy recruitment process, lack of continuous training to employees, and ineffective training, based on various independent variables. Further, the study recommended that welfare services, distinct refresher courses, workshops, and seminars on skill development, as well as competitive salaries, are required to overcome these challenges and reduce staff turnover.*

Keywords: *Challenges, Industry, MSMEs, Personnel and Problems*

INTRODUCTION

The Micro, Small, and Medium Enterprises (MSMEs) sector is a critical component of the global economy, enabling economic development, creating jobs, and encouraging innovation. They contribute significantly to a country's overall economic development (Sulthana, Subrahmanyam & Habibullah, 2022). These enterprises (MSMEs) are distinguished by their size and comprise a varied variety of businesses across many industries, contributing considerably to both emerging and established economies (Rathore et al., 2023). They are considered the lifeblood (Tripathy, 2021), an instrument for balanced regional development (Chandan, 2023), the largest employment generators (Meghe, 2020; Chandan, 2023), the backbone of our economy (Chandan, 2023), and an important pillar of any developing economy (Dash & Mishra, 2021). These enterprises act as engines of economic growth and have attracted the attention of policymakers due to their potential to generate higher economic growth. This dynamic section has seen a consistent rise in the number of new units (Nanda & Kumar, 2023) in our country. This industry has numerous benefits, including production, regional development, GDP growth, job creation, transformation, better entrepreneurial skills,

social empowerment, and exports (Sharma, 2022; Nema, 2021; IBEF, 2021). It makes a significant contribution to the expansion of the Indian economy, with a wide network of over 30 million units, providing approximately 70 million jobs, and manufacturing more than 6,000 goods, or approximately 45% of industrial output and 40% of exports. This industry is becoming increasingly important as the country strives for faster and more inclusive growth (Dash & Mishra, 2021). This labour-intensive sector has the potential to address regional economic imbalances by increasing income, employment, and economic independence (Chandan, 2023). MSMEs support India's economy by providing significant contributions to employment, output, and exports. Despite the government's incentives and support for the MSME sector, various hurdles impede its growth and sustainability (Ahamed & Raju, 2023; Nanda & Kumar, 2023).

Definition of MSMEs: Every business needs finance to keep its wheels turning, it facilitates revenue production, helps firms run smoothly, and makes effective use of their assets (Shroff, 2023). As per the amount invested in enterprises, the revised classification has been in effect since 1 July 2020. The classification is based on the nature enterprises, manufacturing enterprises, and service enterprises.

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Composite Criteria: Investment in Plant, Machinery, and Equipment, and Annual Turnover.

Micro: Investment in plants, machinery, and equipment should not exceed Rs. 1 crore, and annual turnover should not exceed Rs. 5 crore.

Small: Investment in plant, machinery, and equipment is limited to Rs. 10 crore, and annual turnover should not exceed Rs. 50 crore.

Medium: Investment in plant, machinery, and equipment should not exceed Rs. 50 crore, and annual turnover should not exceed Rs. 250 crore (Source: <https://msme.gov.in/know-about-msme>).

PERSONNEL CHALLENGES IN MSMEs

In the present era, technology demands that workers and professionals acquire new information and abilities in order to manage practical duties in micro, small, and medium-sized enterprises. In addition, a variety of workforce challenges have been identified as having constrained management problems. In a competitive world, major personnel challenges include recruitment, employee selection, extensive training and development, worker motivation, knowledge enhancement, workforce compensation (Chandan, 2023), limited resources, insufficient infrastructure for skill development, low employee and employer awareness, and the lack of a coordinated approach to skill development (Negi et al., 2023). Some of the key personnel challenges faced by state units are as follows:

Legal Compliance: The evolving legislation governing labour laws poses the most significant barrier to workforce management (Chandan, 2023). All of the laws governing various aspects of manufacturing and service enterprises are extremely complex, making compliance challenging. The numerous factory related decisions are dependent upon the factory commissioner and inspector, thus there is a high risk of red tape in the operation of MSMEs (Kumari, 2023).

Recruitment: Recruitment and selection have grown more challenging (Beerendra, , 2023) and affect these enterprises' routine processes.

Lack of Workforce Training and Development: Training and development of manpower are another significant issue. If technological changes are implemented, the organisation must provide substantial training and development (Chandan, 2023). This is a significant barrier for MSMEs because technology changes on a daily basis and the organisation requires training and skill development

programs (Amati, 2023). Therefore, the organisation has to enhance their skills or risk losing business (Kumari, 2023).

Performance Appraisal: In the informal MSMEs sector, it might be challenging to determine how and when to measure workforce performance.

Staff Remuneration: Many enterprises struggle with how to arrange staff remuneration due to their informal nature and lack of manpower-related policies.

Worker Retention: These enterprises experience high employee turnover rates. There is no human resources policy in place, and these units operate informally. Worker retention is a major issue in the MSMEs sector.

Lack of Knowledge and Skill: While unskilled labour may not be an issue for these firms in remote, backward areas, skilled labour is in short supply (Chandan, 2023).

Lack of Skilled Workers: The most valuable resource for any enterprise is skilled workers. Skilled labour has the potential to significantly impact a unit's productivity. Additionally, workers do not offer their best effort if they are unsupportive and do not regard the enterprises as their own (Nema & Suryavanshi, 2021; HDFC, 2023). Furthermore, many MSMEs are unable to pay their staff well. As a result, there is a decrease in productivity per employee and a high labour rate. This has a significant effect on the production process (Meghe, 2020). Further, educated and younger people are urged to rely more heavily on financial strategies in order to improve their chances of surviving (Hendieh, 2023).

Skill Development: The availability of a competent labour is one of the most significant challenges that these enterprises confront. Many units struggle to recruit trained staff who can operate and maintain their machinery, finances, marketing, and sales activities. Furthermore, the lack of qualified labour makes it difficult for MSMEs to adopt updated technologies, which is critical to their growth (HDFC, 2023). MSMEs frequently believe that a lack of funds prevents them from successfully educating their personnel, resulting in a failure to maximise their employees' potential, which ultimately leads to unsuccessful retention cases (Kumari, 2023).

Managerial Skills: Small enterprises operate with a small number of staff. This means that operations are often managed by a single individual. The manager is under tremendous pressure to meet production objectives. Furthermore, the manager may lack the managerial skills required to operate a unit (Meghe, 2020).

Improper Documentation: We cannot deny that the majority of MSME units in India lack any form of proper documentation, whether it pertains to corporate policies or employee benefits. Poor documentation results in violations

and difficulties. The difficulties affecting MSMEs can often be grouped into two primary groups: internal and external. Internal challenges are those that are not influenced by external forces; they typically arise during or after industry operations and can be managed internally. The majority of internal issues, together with external challenges, pose of significant threat to the smooth execution of MSME units. The emphasis is on short-term gains, even at the expense of quality. There is no logical justification, a proper career plan, or physically compelling motivation. On many occasions, business ideas and exposures are not up-to-date and adequate, rules and sets of laws are not complied with, products and advertising acquaintances are not up to the mark, and business activity remains restricted to the local stage (Kumari, 2023).

Social, Economic and Environmental Aspects: Khan, and Ghouri (2022), advocate for the triple bottom line approach, whereby organisations today should concentrate on enhancing social, environmental, and economic aspects. The social, economic and environment aspect in regard to MSMEs are examined below:

MSMEs and Social Aspects: India's MSMEs play a vital role in the nation's socioeconomic development by fostering entrepreneurship and creating job opportunities. MSMEs provides opportunities for underprivileged segments of the population, thereby contributing to the inclusive growth of the nation. Roughly 325 lakh, or 51%, of the 634 lakh MSMEs are found in rural areas. Approximately 96% of these MSMEs are proprietary businesses, with male entrepreneurs owning 80% of them and female entrepreneurs owning the remaining portion. However, the distribution is slightly skewed toward female entrepreneurs in rural areas. Ownership of MSMEs by socially backward groups is approximately 66%; in rural regions, this share rises to approximately 74%. Approximately 5 crore, or 45%, of the 11.1 crore individuals working in the MSME sector are engaged in rural regions. Of these workers, 76% are men, and 24% are women, with the percentage of women workers being somewhat higher in rural areas than in urban areas. By serving the socially and geographically marginalised segments of the population, it is clear that MSMEs contribute significantly to the economic and social development of the nation. (M/o MSME Annual Report 2021-22.pdf). Furthermore, it has been noted that the social aspect that the inability to keep skilled personnel around because of the lack of rewards and possibilities for professional advancement. Moreover, overseeing a multicultural staff with a range of demands and cultural backgrounds (Bisht & Singh, 2021).

MSMEs and Economic Aspects: MSMEs are essential to the growth of any nation's economy (Rizal et al., 2017). According to Semegn and Bishnoi (2021), SMEs act as

catalysts for economic growth based on the market, the creation of additional jobs, the eradication of poverty, and the advancement of democracy in emerging nations (Adekunle et al., 2018). In emerging economies, SMEs account for 33% of GDP and almost 45% of all employment (Amoah & Amoah, 2018). With an estimated 630.52 lakh enterprises, the micro sector makes up more than 99% of all MSMEs. Of all estimated MSMEs, the small sector accounts for 3.31 lakh, and the medium sector accounts for 0.05 lakh, or 0.52%. Out of the total 324.88 lakh MSMEs (51.25%) are located in rural areas, whereas 309 lakh MSMEs (48.75%) are located in urban areas, out of the projected 633.88 number of MSMEs (<https://cii.in/Sectors.aspx>).

According to data from the National Sample Survey (NSS) for the 2015–2016 period, the MSME sector created 11.10 crore jobs nationwide in both rural and urban areas, with the majority of these jobs being in the manufacturing, trade, and other services sectors (367.18 lakh, 362.22 lakh, and 307.07 lakh, respectively). With an estimated 630.52 lakh businesses, the micro sector employed 1076.19 lakh people, or over 97% of all industry employment. Among all MSMEs sector employees, 1.75 lakh (0.16%) and 31.95 lakh (2.88%) were employed by the small sector (3.31 lakh) and by the medium sector (0.05 lakh), respectively (Source: 2021–22 M/o MSME Annual Report). Further, it was found in the economic aspect that there are insufficient funds to devote to benefits and staff development. The competitive compensation and benefits provided by larger firms pose a challenge to MSMEs to attract and retain talent (Patel & Tripathi, 2022).

MSMEs and Environmental Aspects: The business environment, which is made up of many different components, affects every enterprise (Cherunilam, 2021). The role of MSMEs is still given less attention, despite an increase in research on the environmental policies of big business houses (Maulana et al., 2019). It is estimated that MSMEs in India account for over 70% of industrial pollution. (Raj & Raja, 2024). As industrialisation picks up speed, environmental pollution is also increasing. The outcome of this environmental pollution, which affects organisational sustainability, is environmental degradation. The effluence rate can be decreased by using an effective workforce to adopt pollution-free technology, methods, and practices. Paperless work, online development and training, and online recruiting and selection would be useful in overcoming this issue. It follows that efficient personnel management and related components can help producers a cost-reduction. The entrepreneurs should pay attention to employee involvement in green projects when evaluating and tracking the organisation's performance Adopting sustainable practices is difficult because of infrastructure and resource constraints. It is also challenging to ensure

employee safety and well-being in light of environmental regulations (Ashwini & Patil, 2024).

REVIEW OF LITERATURE

Chandan (2023) stated that personnel are key to the growth of all enterprises, large and small. The workforce is the group of individuals who work for the firm and manage its operations. These enterprises are concerned with people and human resources issues such as compensation, hiring, performance management, and training. The human resource professional must learn how to manage efficiently by planning, organising, leading, and controlling human resources. They must also be aware of current trends in training and employee development. Furthermore, the research by (Kumari, 2023) examines that human resource activities such as selection, recruiting, performance appraisal, training, and remuneration are carried out in an incompetent and arbitrary manner. This research examines a set of constraints that micro and small resource management units face. Human resource management activities, strategies, and procedures are becoming increasingly vital as the knowledge-based economy grows. Human resources are an important subject of study in any business, including small and medium-sized enterprises. Careful human resource management provides favourable prospects for ensuring efficiency in the manufacturing process of goods that enable a suitable standard of living in society. HRM studies, when managed properly and efficiently, meet an enterprise's desire to comprehend the economy, market, company, or any other relevant sector.

Furthermore, Patel and Tripathi (2022) highlighted that human resources are inadequately trained in efficient and professional skills such as manufacturing, production, finance, accounting, and marketing. Employee attrition is high, and there is an absence of motivation. Soni and Maheshkar (2022) discovered internal labour-related issues, such as a lack of proper labour assessment programs, wage and salary administration, improper dispute resolution procedures, an imbalance in industrial relations, and improper coordination and control within the organisation. External labour challenges include one of the primary concerns identified throughout the recruitment process, which is the labour's skill set for a specific job. Some labour issues arise when firms are unable to improve job conditions, resulting in employee dissatisfaction. Further, it was found that the success of these firms is limited by a shortage of technical expertise and skilled labour (Sulthana, Subrahmanyam & Habibullah, 2022). Bisht and Singh (2021) added that the key challenges include knowledge and skill development, labour laws,

productivity enhancement, and product quality. Further, Das (2021) discovered that the key barriers preventing the growth of these enterprises are a lack of knowledge and fresh ideas, a scarcity of qualified labour, and a lack of appropriate marketing skills. Jailap (2020) highlighted the key issues as a lack of entrepreneurial training centers, a scarcity of technical support staff, a lack of technical and infrastructure assistance, insufficient expertise, and a shortage of skilled workers. (Meghe, 2020; Dun & Bradstreet, 2021) discovered that a shortage of educated labour and managerial skills remains a concern for these small units throughout their operations.

According to Mittal and Ramman (2021), a lack of managerial skills among small business entrepreneurs affects the companies' potential to grow. MSMEs encounter additional challenges due to government administrative requirements. Popescu et al. (2020) discovered that human resources are a crucial aspect of conducting business. According to their findings, the majority of knowledge and abilities are passed down from previous generations. As a result, manpower has fewer opportunities to explore its creativity. SME success is determined by an entrepreneur's or manager's managerial abilities. This implies that managers can influence whether a firm succeeds or fails. Sivasree and Vasavi (2020) added that the most significant challenges in this industry include a lack of skill development and training programs and inadequate infrastructure.

Entrepreneurship and Skill Development Strategy of the Haryana Government: The goal is to develop the abilities of MSMEs' entrepreneurs and employees through technical training delivered on-site. Furthermore, classrooms and workshops for training will be built using pre-existing facilities at collaborating companies, government institutions, universities, and other organisations. The Haryana MSME Policy for 2019 includes a specific strategy for skill development and training for MSMEs personnel. As part of the EDP (Employee Development Programme), the state government must provide financial aid to local enterprises. The following are the main efforts:

- The State Government shall encourage new business enterprises to invest in industrial complexes established by HSIIDC for MSMEs, which will include a stable power grid and other necessary infrastructure. A grant of Rs 5 crore will be made available for the construction of at least five acres of flattened industrial land.
- The systematic part of the whole amount of funding for MSME employees to improve their skills through the "Haryana's MSME Policy 2019" initiative reimburses up to Rs. 5,000 per worker for training expenses during a 6-month period. This is provided to MSME as

a government initiative to assist enterprises in training staff who lack formal technical education (Haryana MSMEs Policy, 2019).

Research Methodology

The study employs the following research methodology: *Research Design*: The study is exploratory and descriptive, based on a survey questionnaire.

Population: The study's participants consisted of entrepreneurs of MSMEs in the state of Haryana (India).

Sample Design: Six divisions of Haryana state were selected using the table developed by Krejcie and Morgan (1970). Six districts in each division have been used to choose the sample with the highest number of enterprises.

Sampling Technique: To determine the sample, Krejcie and Morgan (1970) used a stratified random sampling technique to select 384 respondents from MSMEs in Haryana State (India) based on gender, educational qualification, age of business units, age of entrepreneurs, category of enterprises, and type of organisation.

Sample Unit: The sample unit consists of entrepreneurs from six districts of Haryana. The sample with the highest number of enterprises was taken from six districts in each division: Yamuna Nagar (39), Faridabad (93), Gurugram (103), Hisar (49), Sonapat (40), and Panipat (60).

Data Collection: The key source of information for this study is primary data. A structured questionnaire that was correctly used.

Independent Variable: These include gender, educational qualification, age of business unit, entrepreneur age, enterprise category, and organisation type.

Dependent Variable: These includes the personnel challenges of MSMEs.

Measurement of Personnel Challenges

The personnel challenges confronting this sector have been analysed with the help of nine statements. These nine statements have been combined in three factors i.e., attentiveness of employee, recruitment, and training. The statement of less cooperation among employee, family problem of employee and absent/strike has been combined as factor, attentiveness of employee. The statement of high labour cost, absence of skilled/honest labour, long recruitment process combined under the factor, recruitment. The statement on continuous training is not given to employee and training given but not effective as been combined in training factor. These statements were derived from Goswami (2018) and Kumar and Divyang (2017).

Measure: All variables were measured by using the five-point Likert scale (1 being strongly disagree, 2 being disagree, 3 being indifferent, 4 being agree, and 5 being strongly agree).

Statistical Methods: Data for this study was analysed using SPSS-29, interpreted, and evaluated using the relevant statistical tools, including tabulation, frequency, mean, t-test, one-way ANOVA, and percentage.

ANALYSIS AND INTERPRETATION

Hypothesis 1

H0: Mean score of personnel challenges and its two components does not differ significantly, based on the gender of entrepreneurs.

H1: Mean score of personnel challenges and its two components differs significantly based on the gender of entrepreneurs.

Table 1: Personnel Challenges and Gender of Entrepreneurs

Component	Gender of Entrepreneur	N	Mean Score	Test Statistics	P Value
Attentiveness of Employee	Male	376	3.3298	1.790	.182
	Female	08	3.1250		
Recruitment	Male	376	3.3890	6.052	.014
	Female	08	3.8750		
Training	Male	376	3.3790	6.388	.012
	Female	08	3.8125		
Personnel Challenges	Male	376	3.3659	2.402	.122
	Female	08	3.2708		

Source: Data compiled by researcher with SPSS (version 29).

Table 1 reveals the mean score of personnel challenges and its components, namely attentiveness of employees, recruitment, and training, in relation to respondents' gender. The parametric test (t-test) is used to determine the relationship between personnel challenges, its components, and the gender of the respondent. Before applying the test, Leven's test is used to ensure that the variance is homogeneous between the two gender categories. The data indicate that the variance is now homogeneous. The null hypothesis tests whether a change in gender significantly affects the components of employee attentiveness, recruitment, and training issues. This can be done via hypothesis testing.

Hypothesis testing results show that the mean score for attentiveness to employee-related personnel challenges male (3.3298) entrepreneurs had a higher mean score than female entrepreneurs (3.1250). The t-statistics was 1.790 and not significant at the 5% level of significance. The mean score of recruitment of employee-related personnel challenges female entrepreneurs had a higher mean score on recruitment-related personnel difficulties (3.8750) than male entrepreneurs

(3.3890). Female entrepreneurs also had a higher mean score on training-related personnel challenges (3.8125) than male entrepreneurs (3.3790). The t-statistics for recruitment challenges was 6.052, and for training challenges was 6.388 (both significant at the 5% level of significance). Therefore, the null hypothesis has been rejected.

Overall, the mean score for personnel challenges is higher for males (3.3659) than for females (3.2708), t value 2.402 (significance value larger than 5%). It can be concluded that personnel challenges do not differ significantly based on gender. So, the null hypothesis has been fully retained, based on the gender of entrepreneurs.

Hypothesis 2

H0: The mean score for personnel challenges and its three components does not differ significantly, based on age of the entrepreneurs.

H1: The mean score of personnel challenges and its three components differs significantly, based on age of the entrepreneurs.

Table 2: Personnel Challenges and the Age of Entrepreneurs

Component	Age of Entrepreneurs	N	Mean Score	Test Statistics (F Value)	P Value
Attentiveness of Employee	Up to 30	63	3.6931	7.700	.001
	30-40	182	3.2473		
	Above 40	139	3.2614		
Recruitment	Up to 30	63	3.6587	5.033	.007
	30-40	182	3.3008		
	Above 40	139	3.3525		
Training	Up to 30	63	3.7460	6.325	.002
	30-40	182	3.3434		
	Above 40	139	3.2842		
Personnel Challenges	Up to 30	63	3.6993	7.563	.001
	30-40	182	3.2972		
	Above 40	139	3.2994		

Source: Data compiled by researcher with SPSS (version 29).

Table 2 shows the mean score of personnel challenges and their three components based on the age of entrepreneurs. It is the highest for the component of attentiveness of employee-related challenges in the age group of up to 30 (3.6931), followed by above 40 (3.2614) and 30–40 (3.2473). The significance of the difference was investigated to see whether the null hypothesis was correct. Since the independent variable has three categories, a one-way ANOVA is used to test hypotheses. Levene's test results show that the variances are homogeneous. F-Statistics equals 7.700. The P-value is 5%. Hence, the *H0* has been rejected. The mean score of recruitment difficulties for the age group up to 30 years (3.6587), followed by over 40 years (3.3525) and 30–40

years (3.3008). The mean score of the training challenge is higher for the age group up to 30 (3.7460), followed by 30–40 (3.3434) and over 40 (3.2842). To determine whether the difference is significant, the F statistic is 6.325, and the P-value is less than the 5% level. So, the *H0* has been rejected.

The mean score for personnel challenges is highest among respondents under the age group of 30 (3.6993), followed by those over 40 (3.2992) and 30–40 (3.2972). F statistics are 7.563, with a P value less than 0.05 indicating that F values are significant (at the 5% level of significance). Hence, the *H0* has been rejected.

Post-hoc subset for personnel challenges, based on entrepreneurs age showed that the opinion of respondents

is up to 30 was different from the 30–40 and above 40 years (Table 3).

Table 3: Post-Hoc Subsets for Personnel Challenges and the Entrepreneur's Age

Age	N	Subset for Alpha = 0.05	
		1	2
Up to 30	63		3.6993
30-40	182	3.2972	
Above 40	139	3.2994	
P value		1.000	1.000

Source: Data compiled by researcher with SPSS (version 29).

Hypothesis 3

H0: Mean score of personnel challenges and its three components do not differ significantly based on the entrepreneur qualification.

H1: Mean score of personnel challenges and its three components differ significantly based on the entrepreneur qualification.

Table 4: Personnel Challenges and Qualifications of Entrepreneurs

Component	Qualification of Entrepreneurs	N	Mean Score	Test Statistics (F Value)	P Value
Attentiveness of Employee	Up to 12 th	51	3.6542	4.591	.011
	Graduation	187	3.6275		
	Post-Graduation	146	3.3493		
Recruitment	Up to 12 th	51	2.8382	14.687	.001
	Graduation	187	2.5334		
	Post-Graduation	146	2.0462		
Training	Up to 12 th	51	4.1569	4.150	.016
	Graduation	187	4.1283		
	Post-Graduation	146	3.8904		
Personnel Challenges	Up to 12 th	51	3.6062	20.659	.001
	Graduation	187	3.4387		
	Post-Graduation	146	3.0953		

Source: Data compiled by researcher with SPSS (version 29).

Table 4 shows the mean score for personnel challenges and their three components, along with the respondents' qualifications. The mean score for entrepreneurs up to the 12th grade (3.6542) is the highest of attentiveness of employee-related challenges, followed by graduation (3.6275) and post-graduate (3.3493). The null hypothesis tests whether entrepreneurs' qualification significantly affects the components of employee attentiveness, recruitment, and training issues. This can be done via hypothesis testing. Variance homogeneity is indicated by Levene's test results: $F = 4.591$, $P < 5\%$. Therefore, H_0 has been disproved.

Recruitment challenges have mean scores for up to 12th graders (2.8382), graduates (2.5334), and post-graduate (2.0462). With $P < 5\%$ and an F statistics are 14.687, it can be concluded that the F-values are significant (5%).

Entrepreneurs up to the 12th (4.1569) had the highest mean score (4.1283), followed by those who had graduated (4.1283) and post-graduation (3.8904). The P value $< 5\%$ level of significance, and the F statistic is 4.150. Therefore, the H_0 has been disproved.

Overall, entrepreneurs (12th) have the greatest mean score (3.6062) for personnel-related issues, followed by graduates (3.4387) and post-graduates (3.0953). The P -value is < 0.05 , and the F statistics are 20.659, indicating that the F values are significant at the 5% significance level. Therefore, H_0 has been disproved.

Post-Hoc Subsets showed that the personnel challenges for the qualification of up to 12th and graduates are the same in nature, which is different from post-graduates' entrepreneurs (Table 5).

Table 5: Post-Hoc Subsets for Personnel Challenges and the Qualification of Entrepreneurs

Age	N	Subset for Alpha = 0.05	
		1	2
Up to 12 th	63		3.6060
Graduation	182		3.4387
Post-Graduation	139	3.0953	

Source: Data compiled by researcher with SPSS (version 29).

Hypothesis 4

H0: Mean score of personnel challenges and its three components do not differ significantly, based on the age of the enterprises.

H1: Mean score of personnel challenges and its three components differs significantly, based on the age of the enterprises.

Table 6: Age of Enterprises and Personnel Challenges

Component	Age of Enterprises	N	Mean Score	Test Statistics (F Value)	P Value
Attentiveness of Employee	Less Than 5	138	3.5290	1.957	.143
	5-10	100	3.7100		
	More than 10	146	3.4795		
Recruitment	Less Than 5	138	2.7572	9.523	.001
	5-10	100	3.4700		
	More than 10	146	2.2021		
Training	Less Than 5	138	4.0688	5.159	.006
	5-10	100	4.0500		
	More than 10	146	3.7740		
Personnel Challenges	Less Than 5	138	3.4517	10.781	.001
	5-10	100	3.4100		
	More than 10	146	3.1518		

Source: Information assembled by the researcher with SPSS (version 29).

Table 6 revealed the mean score of personnel challenges and their three components, along with the age of the enterprises. For the attentiveness of employee component, it is highest for the age group of 5-10 years (3.7100), followed by less than 5 years (3.5290) and more than 10 years (3.4795). The null hypothesis to see if there is a meaningful difference. A one-way ANOVA is carried out to assess the hypotheses. Levene's test results show homogeneity in variance. The employee's attentiveness component has an F statistic of 1.957. The $P > 0.05$ (not significant at the 5% level). As a result, H_0 has been retained.

For the recruitment-related component, it was highest for less than 5 years (2.7572), followed by 5–10 years (3.4700), and more than 10 years (2.2021). The P-value is less than 0.05, and the F statistics are 9.523. Hence, F values are significant at 5% significance. As a result, the H_0 has been rejected.

In the same way, the age group's mean score for training components was less than 5 years (4.0688), followed by 5–10 years (4.0500), and more than 10 years (3.7740). To determine the significance of the difference, the F statistics are 5.159 and the P value is less than 5%, indicating a low level of significance. As a result, H_0 has been rejected.

Overall, the age group of less than 5 years (3.4517) has a higher mean score for personnel challenges, followed by the groups of 5–10 years (3.4100) and more than 10 years (3.1518). The P-value is less than 0.05, and the F statistics are 10.781, indicating that the F value is significant at the 5% significance level. Hence, H_0 has been rejected.

Post-hoc subsets of personnel challenges indicate that the personnel challenges for the age groups less than 5 and 5–10 are the same in nature, which is different from the more than 10 years (Table 7).

Table 7: Post-Hoc Subsets for the Age of Enterprises and Personnel Challenges

Age of Enterprises	No.	Subset for Alpha (0.05)	
		1	2
Less than 5	146		3.4517
5-10	138		3.4100
More than 10	100	3.1518	
P value		1.000	.839

Source: Data compiled by researcher with SPSS (version 29).

Hypothesis 5

H0: Mean score of personnel challenges and their three components do not differ significantly, based on the category of enterprises.

H1: Mean score of personnel challenges and their three components differs significantly, based on the category of enterprises.

Table 8: Employee Challenges and Business Type (Category of Enterprises)

Component	Category of Enterprise	N	Mean Score	Test Statistics (F Value)	P Value
Attentiveness of Employee	Micro	239	3.3710	0.976	0.378
	Small	104	3.2596		
	Medium	41	3.2276		
Recruitment	Micro	239	3.4613	3.588	0.029
	Small	104	3.2524		
	Medium	41	3.2134		
Training	Micro	239	3.4979	5.377	0.005
	Small	104	3.2548		
	Medium	41	3.0854		
Personnel Challenges	Micro	239	3.4434	3.661	0.027
	Small	104	3.2556		
	Medium	41	3.1755		

Source: Data compiled by researcher with SPSS (version 29).

Table 8 highlights the category of enterprises' mean score for personnel challenges and their three components. Micro enterprises had the highest mean score (3.3710) for the attentiveness of employees among all enterprise types, followed by small (3.2596) and medium (3.2276). The null hypothesis has been checked to determine whether the difference is significant. The hypotheses are tested using a one-way ANOVA. The findings of Levene's test reveal no uniformity in variance. The P-value indicates a significance level greater than 5%, and the F statistic value is 0.976. Ho has therefore been retained.

Micro enterprises had the highest mean score (3.4613) for recruitment challenges, followed by small (3.2524) and medium (3.2134) businesses. At a significance level of 5%, the F statistic of 3.588 and the P-value of less than 0.05

indicate significance. Hence, Ho has been retained. Micro enterprises had the highest mean score (3.4979) for training-related issues, followed by small (3.2548) and medium (3.0854). The P-value is 0.05 and the F statistics are 5.377, both of which are significant (at the 5% level of significance). Hence, Ho has been rejected.

Overall, Micro enterprises had an overall mean score of 3.4434 for personnel challenges, which was higher than that of small (3.2556) and medium (3.1755) businesses. The P-value is less than 0.05, and the F statistic is 3.661, indicating statistical significance at the 5% level of significance.

Post-hoc subsets showed that personnel challenges for small, and medium categories of enterprises were the same in nature, which differed from micro enterprises (Table 9).

Table 9: Post-Hoc Subsets for Personnel Challenges and Enterprise's Category

Category of Industry	N	Subset for Alpha = 0.05	
		1	2
Micro	239		3.4979
Small	104	2.2548	
Medium	41	3.0854	
P value		0.457	.201

Source: Data compiled by researcher with SPSS (version 29).

Hypothesis 6

H0: Mean score of personnel challenges and its three components do not differ significantly, based on the nature of enterprises.

H1: Mean score of personnel challenges and its three components differs significantly, based on the nature of enterprises.

Table 10: Nature of Enterprises and Personnel Challenges

Component	Gender	N	Mean	Test Statistics	P Value
Attentiveness of Employee	Manufacturing	172	2.2442	18.049	.000
	Service	212	2.5283		
Recruitment	Manufacturing	172	2.2655	8.026	.005
	Service	212	2.4497		
Training	Manufacturing	172	3.2988	8.969	.003
	Service	212	3.4492		
Personnel Challenges	Manufacturing	172	2.6028	4.063	.045
	Service	212	2.8090		

Source: Data compiled by researcher with SPSS (version 29).

Table 10 shows the mean score for personnel challenges with their three components and the nature of the enterprises. Service-sector enterprises have a higher mean score (2.5283) than those in the manufacturing sector (2.2442). The relationship between personnel challenges, their three components, and the nature of enterprises has been evaluated using a parametric test (t-test). Prior to applying the test, Levene's test is performed to verify that the variation between two categories is homogeneous. The findings imply that there was heterogeneity in the variance. Hypothesis testing is used to investigate the null hypothesis. Findings of the hypothesis test: the F-statistic was 18.049, which is significant at the 5% level. Thus, *H0* has been completely rejected.

The manufacturing sector's (2.2655) mean score for personnel problems in the recruitment component was lower than that of the service sector's (2.4497), with a t-value of 8.026 indicating significance (at the 5% level of significance). The manufacturing sector's

(3.2988) mean score for personnel problems connected to training is lower than that of the service sector's (3.4492), with a t-value of 8.969 (significance at the 5% level of significance). Thus, *H0* has been rejected. Overall, it can be concluded that, compared to service sector firms (2.8090), they have a higher mean score (2.6028) for personnel challenges than the manufacturing sector. The F-value is 4.063, with $p > 5\%$ level of significance. Thus, *H0* is completely disproved.

Hypothesis 7

H0: Mean score of personnel challenges and its three components does not differ significantly, based on the type of organisation.

H1: Mean score of personnel challenges and its three components differs significantly, based on the type of organisation.

Table 11: Personnel Difficulties and Organisation Type

Component	Category of Industry	N	Mean Score	Test Statistics (F Value)	P Value
Attentiveness of Employee	Partnership	81	3.2305	3.765	0.024
	Pvt. Ltd.	68	3.2304		
	Proprietary	235	3.4809		

Component	Category of Industry	N	Mean Score	Test Statistics (F Value)	P Value
Recruitment	Partnership	81	3.2634	3.383	0.035
	Pvt. Ltd.	68	3.2255		
	Proprietary	235	3.4823		
Training	Partnership	81	3.2442	3.151	0.044
	Pvt. Ltd.	68	3.2304		
	Proprietary	235	3.4730		
Personnel Challenges	Partnership	81	3.2460	6.853	0.001
	Pvt. Ltd.	68	3.2288		
	Proprietary	235	3.4787		

Source: Data compiled by researcher with SPSS (version 29).

Table 11 reveals the mean score of personnel challenges and their three components. It has been observed that the mean score of attentiveness to employee-related challenges is the highest for proprietorship (3.4809), followed by partnership (3.2305) and Pvt. Ltd. (3.2304) types of enterprises. To test whether the difference is significant or not, the H_0 has been tested. As there are three categories of the independent variable, a one-way ANOVA was used to test the hypotheses. Levene's test results show homogeneity in variance. The F-value is 3.765, and the P-value is less than the significance level at the 5% level. So, H_0 has been rejected. Similarly, the mean score of recruitment-related personnel challenges is the highest for proprietary (3.4823), followed by partnership (3.2634) and Pvt. Ltd. (3.2255) types of enterprises. Similarly, the mean score of training-related personnel challenges is the highest for proprietorship (3.4730), followed by partnership (3.2442) and Pvt. Ltd. (3.2304) types of enterprises. The F-value for recruitment-related challenges is 3.383, and for training challenges, it is 3.151. The P-value is less than the significance level of 5%. Therefore, H_0 has been rejected.

Overall, the mean score of personnel challenges was highest for proprietorship (3.4787), followed by partnership (3.2460) and Pvt. Ltd. (3.2288) types of enterprises. The F-value is 6.853, and the P-value is less than the significance level at the 5% level. Hence, the null hypothesis has been rejected.

Post-Hoc Subsets showed that personnel challenges for proprietorship and partnership are similar in nature, but different from Pvt. Ltd. (Table 12).

Table 12: Post-Hoc Subsets for Organisational Type and Personnel Challenges

Category of Industry	No.	Subset for Alpha (0.05)	
		1 st	2 nd
Partnership	81	3.2460	
Pvt. Ltd.	68	3.2288	
Proprietary	235		3.4787
P value		0.980	1.000

Source: Data compiled by researcher with SPSS (version 29).

FINDINGS

According to the study, female entrepreneurs had more personnel-related issues than their male counterparts, including issues with recruitment, training, and employee attentiveness. Entrepreneurs under 30 experienced the most obstacles, followed by those over 40 and those between 30 and 40. Entrepreneurs with up to a 12th grade qualification have experienced the most personnel issues, followed by graduates and post-graduates. Less than five years' worth of obstacles faced by entrepreneurs were followed by those with 5–10 years' worth more than 10 years. Service sector micro units encountered greater difficulties with regard to their workforce than small and medium-sized enterprise units. Regarding the type of organisation, Pvt. Ltd. companies and partnerships had fewer difficulties than proprietary firms.

RECOMMENDATION

The purpose of this study was to consider the determinants of whether personnel challenges were supposed to be a problem. A different approach is required to address these challenges in smaller firms and remedies to overcome them. For this, MSME enterprises must enhance the working environment, offer additional welfare services, periodically schedule distinct refresher courses, workshops, and seminars on skill development, as well as offer competitive salaries and benefits to keep and attract skilled workers in an effort to reduce staff turnover. Collaboration between colleges and MSMEs should include increasing the number of student internships at MSMEs and promoting new business incubators inside universities. Schools, colleges, and universities ought to provide entrepreneurship education. Entrepreneurs should implement environmentally conscious policies, explore cost-effective training, performance-based rewards, and invest in effective technologies and practices to save costs and improve reputation.

In addition to the government's introduction of programs like the Pradhan Mantri Kaushal Vikas Yojana to upskill and improve the talent of the workforce, To find, develop,

inspire, and retain workers, small businesses should adopt effective human resource management strategies.

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