

Role Of Resilience Strategies And Policies Of Development In The High Business Performance Of Msme In Krishnagiri District**Jayakumar H**

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E-Mail: drmkcv@gmail.com, <https://orcid.org/0000-0001-8675-9947>**Abstract**

The resilience strategies with the cumulative role of developmental policies are essential to display very high performance of MSMEs in both individual and organizational context. The growth and development of MSMEs can be implemented drastically to increase the productions and focusing towards satisfaction of customers and supports from governmental policies. This particular study is completely exploited the notions of primary data derived from small and medium scale enterprises and entrepreneurs and some important managers respectively in the study area of Krishnagiri district. The main study data collection was done with the help of a random sampling method and obtained the usable 561 responses. It is found from the rigorous statistical analysis that the resilient strategies are very important for MSMEs to increase their business performance and their dimensions. The production diversification and easily switching to another product production can save all the business performance of MSMEs even during emergencies and pandemic scenarios.

Key words: Resilience strategies, developmental policies, Performance, MSMEs**1.Introduction**

The resilience strategies with the cumulative role of developmental policies are essential to display very high performance of MSMEs in both individual and organizational context. The growth and development of MSMEs can be implemented drastically to increase the productions and focusing towards satisfaction of customers and supports from governmental policies. According to, the aspect of resilience is not the unique phenomenon whereas it is known for the multi dimensions approach particularly emphasizing on the ability to continuously produce the products besides the implementation of developmental policies. The resilience strategies depend upon the ability of entrepreneurs to absorb the shocks and to avoid unnecessary threats to the business and ensuring continuance financial support and raw material supply Afriza, E.S.D. (2021). Most of the MSMEs face the growth threatening situations and are based on unpredictable predicaments and to obtain financial support and marketing support continuously hindering the developmental growth of MSME's. The unpredictable globalized economic scenarios and the liberalized economic movements along with its technological developments severely demand the use of technology for the rapid growth of MSMEs and their performance besides any natural disasters and pandemics. The vital growth of small and medium enterprises depends upon the growth and development of economic policies designed by the state and central governments particularly promoting achievable growth and sustainable development. The predominant support of World Bank for the growth and development of MSMEs and in fact 90% of business is supported by World Bank schemes and a generation of more than 50% employment through MSMEs can be considered as one of the achievements of World Bank schemes. The rapid growth of small and medium enterprises and their impact on emerging economies significantly contributed to the GDP of India and also motivate the Indian government to focus on the paradigm shift of implementing the strategies for the best performance of MSMEs. The growth of feminism actually augments technological changes in the industry and also creates commercial and employment opportunities through the radical innovations of resilience strategies and implementation of developmental policies of both state and central governments for their entrepreneurial growth. The growth and development MSMEs and their performance can be realized by the significant impact on Indian economy as well as the promotion of economic growth, creating employment opportunities and commercial progress of the indicators for the resilience strategies Sugihamretha, I.D.G. (2020). Therefore the present study is focusing on the cumulative impact of resilience strategies of individuals and organizations and the extrinsic support of policies of the government over the performance and growth of MSMEs.

2.Literature Reviews.

Amri, A. (2020) this particular study thoroughly investigated the role of resilience strategies through social media in increasing the performance of small and medium enterprises. The study clearly revealed that the augmented technological background and social media can easily implement all the resilience strategies and increase the chances to reach out customers and suppliers for the continuous production and profitability of MSMEs.

Rosita, R. (2020) this particular study highlighted the resilience strategies increase the importance of social media marketing for the smooth relationship of customer, suppliers and entrepreneurs for the growth and development of small and medium enterprises. The relationship capabilities and firm performance can be supported by developmental policies in terms of financial support and marketing support.

Antonyraj, M., & Kumar, R. (2023) The developmental policies of government based on innovative technology, transformation of organizations financial support and the continuous flow of raw materials can motivate small and medium enterprises to reach their high performance. The community activities followed by entrepreneurial developmental policies along with the resilience strategies can easily achieve best performance.

Putri, M. K., & Lesmana, R. P. (2023) This particular study emphasized the need and importance of innovation and technological augmentation in all the entrepreneurship programs as well as domain to implement the policy decisions to engage the budding entrepreneurs and existing entrepreneurs. The world of transformation from the massive technology through digitalization can support the best performance of small and medium enterprises.

Cherevatskyi, D. Y. (2023) the collaborative approach of small and medium enterprises can introduce knowledge transformation mechanism through digitalization phenomenon actually support to implement the resilience strategies and the maintenance of customer relationship management and supply chain management. The management of small and medium enterprises faces opportunities and challenges and also has resilience strategies to overcome them.

Putri, M. K., & Lesmana, R. P. (2023). This particular study focused on measuring the opportunities and challenges faced by small and medium scale industry and the role of resilience strategies involved in overcoming the problems and issues. The economic contribution of MSMEs depends upon the policy of government and both state and central governments and their strategies to increase the entrepreneurial opportunities.

De Matteis, J., Elia, G., & Del Vecchio, P. (2023). In this empirical study the authors measured the role of pillars of economy in constructing the developmental opportunities for small and medium scale industries and the growth oriented global economy. They engage in economic scenarios at the global level significantly impact the growth and development of small and medium scale industries as well as profit oriented approach of entrepreneurs.

Purwanto, N.P. (2020) this particular study determined the ability of small and medium scale industries in meeting out the economic requirement of a country in terms of generating job opportunities, growth orientation and impact of GDP. The contemporary market at a global level always encourage the small and medium scale industries to draw out the resilience strategies and exploit the support of policies of government.

3.Research Gaps.

The above mentioned international and national reviews pertaining to resilience strategies, policies of the developmental growth and business performance of small and medium scale industries clearly revealed that there exist three predominant gaps which are not empirically answered by the researchers at the national and international level namely

1. What are all the predominant factors responsible for the determination of resilience strategies more suitable and appropriate for small and medium scale industries?
2. How do the small and medium scale enterprises exploit the policies and development of the state and central governments respectively?
3. What are the cumulative impact of resilience strategies and developmental policies of small and medium scale enterprises on their business performance?

4.Objectives Of The Study.

The above mentioned research gaps ultimately leads to the following objectives

1. To determine the existing resilience strategies predominant among small and medium scale and prices the study area.
2. To analyse the popular developmental policies of the state and central government to encourage MSMEs.
3. To identify the cumulative impact of resilience strategies and developmental policies of MSMEs on their business performance.

5.Hypotheses.

1. The resilience strategies differ significantly with respect to small and medium scale enterprises.
2. There is a significant impact of developmental policies on MSMEs.
3. There is a significant influence of resilience strategies and developmental policies of MSMEs on their business performance.

6.Methodology.

This particular study is completely exploited the notions of primary data derived from small and medium scale enterprises and entrepreneurs and some important managers respectively. They are playing a vital role in managing the small and medium scale industries. The primary data pertaining to resilience strategies of MSMEs and perception regarding policies of development introduced by the government and the cumulative role in increasing their business performance are derived from entrepreneurs. In order to find their opinion, the researcher formulate the questionnaire which can be circulated among the respondents in the study area of Krishnagiri district. The questionnaire consists of four important segmentations namely organizational details in part 1 followed by part 2 which consist of 20 statements regarding resilience strategies, 10 statements regarding developmental policies of government and 15 statements pertaining to business performance. These statements are responded by the small and medium scale owners and key managers in five point likert's scale which varies from strongly agreed to strongly disagree. After formulating the questionnaire from literature reviews they are subsequently tested in the pilot study states and the pretesting stage. In the pretesting stage, the researcher had chances to interact with subject experts and MSMEs owners and government policies to know the panoptic view about resilience strategies, developmental policies of government and the business performance of MSMEs. In the case of pilot study researcher meticulously selected randomly and the respondents in the Krishnagiri district and computed Cronbach alpha method and derived the value of 0.842 which is greater than the required benchmark value of 0.75. This implies that the customer generated from the literature review and the statements in the questionnaire are highly reliable and well understood by the respondents. After the pilot study the researcher carried out the main study data collection which was done with the help of a random sampling method and obtained the usable 561 responses. The derived number of responses is a greater than the required minimum sample of 384 for the large population to justify the population parameters. The derived responses are coded into numerical values and entered them in the SPSS package version 23 and the researcher applied exploratory factor analysis and the structural equation model over the three entities of the research namely resilience strategies, developmental policies and business performance respectively to verify the objectives and test the hypotheses.

7.Analysis And Interpretation.

An the point of inception in the analytical part the researcher applied exploratory factor analysis on the variables pertaining to resilience strategies of MSMEs to reduce the dimension of the variables into predominant factors. The application of exploratory factor analysis revealed the following tables

Table-1-KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.			.633
Bartlett's Test of Sphericity	Approx. Chi-Square		1696.481
	Df		190
	Sig.		.000

Table-2-Number of factors of Resilience strategies.

Component	Initial Eigenvalues			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	2.866	14.330	14.330	2.083	10.417	10.417
2	2.127	10.634	24.963	1.876	9.379	19.796
3	1.536	7.678	32.642	1.859	9.294	29.091
4	1.418	7.088	39.729	1.841	9.203	38.293
5	1.221	6.107	45.837	1.509	7.543	45.837
6	1.173	5.866	51.703			
7	1.094	5.470	57.172			
8	.914	4.572	61.744			
9	.837	4.183	65.927			
10	.803	4.013	69.940			
11	.799	3.994	73.933			
12	.768	3.839	77.773			
13	.732	3.660	81.433			
14	.680	3.401	84.834			
15	.667	3.333	88.167			
16	.570	2.850	91.017			
17	.550	2.748	93.764			
18	.488	2.442	96.206			
19	.412	2.059	98.266			
20	.347	1.734	100.000			

From the above table it is found that KMO test followed by Bartlett's test of sphericity and the chi-square value are statistically significant at 5% level to designate the dimension reduction and further derivation of predominant factors of resilience strategies on meaningful names. It is also identified that the 20 variables are reduced to 5 predominant factors and these factors consist of four variables pertaining to production diversification technology elevations, effective supply chain management, prudential management and financial stability management respectively. Therefore these derived new dimensional factors and the total average scores are computed to further using the structural equation model. A similar approach of exploratory factor analysis on the 10 variables of developmental policies of the government and the perception of respondents derived in the following results

Table-3-KMO and Bartlett's Test for developmental policies

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.			.594
Bartlett's Test of Sphericity	Approx. Chi-Square		944.682
	Df		105
	Sig.		.000

Table-4-Number of factors of developmental policies.

Component	Initial Eigenvalues			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	4.954	33.028	33.028	3.413	22.752	22.752
2	1.617	10.777	43.805	2.200	14.668	37.420
3	1.214	8.094	51.898	2.172	14.478	51.898
4	1.006	6.706	58.605			
5	.907	6.050	64.654			
6	.777	5.177	69.832			
7	.688	4.584	74.416			
8	.654	4.361	78.777			
9	.611	4.074	82.851			
10	.567	3.778	86.630			
11	.501	3.338	89.968			
12	.483	3.217	93.185			
13	.419	2.793	95.978			
14	.325	2.164	98.142			
15	.279	1.858	100.000			

From the above table is found that the factors are statistically significant at 5% level and the grouping of variables indicated that the first factor consists of three important variables regarding monetary support and second factor consists of three variables regarding employment support and the third factor comprises four variables regarding tax support respectively. The total average scores of all these three factors are computed and is set for further analysis in the case of third factor analysis tool excluded to make the over the 20 variables of business performance clearly indicated the following results

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.			.912
Bartlett's Test of Sphericity	Approx. Chi-Square	5238.380	
	Df	190	
	Sig.	.000	

Component	Initial Eigenvalues			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	7.406	37.030	37.030	5.713	28.564	28.564
2	1.879	9.395	46.425	1.953	9.763	38.328
3	1.273	6.365	52.789	1.898	9.489	47.816
4	1.067	5.336	58.125	1.753	8.764	56.580
5	.919	4.597	62.722	1.228	6.142	62.722
6	.903	4.513	67.235			
7	.746	3.730	70.965			
8	.709	3.546	74.511			
9	.664	3.320	77.832			
10	.594	2.971	80.803			
11	.560	2.802	83.605			
12	.514	2.571	86.176			
13	.491	2.453	88.629			
14	.454	2.269	90.898			
15	.416	2.078	92.976			
16	.350	1.752	94.728			
17	.309	1.547	96.276			
18	.274	1.372	97.648			
19	.257	1.287	98.935			
20	.213	1.065	100.000			

From the above table it is found that KMO, Bartlett's test of sphericity and chi square values are statistically significant at 5% level and these factors consist of four variables regarding revenue growth, profitability, regular customer base, operational efficiency and employee loyalty respectively. The similar computation of total average scores is found useful for further investigation of primary data analysis and construction of the model. The total average scores of factors of resilience strategies, developmental policies of government and business performance of resilience strategies require confirmation of factors using confirmatory factor analysis and also the cumulative impact of resilience strategies and developmental policies of government on business performance can also be estimated to linear multiple regression analysis. The structural equation model is the combination of confirmatory factor analysis and linear multiple regression analysis and their relationships and useful to test the hypothesis. The application of structural equation model or the total average scores clearly revealed the following table in the diagram

Table-7-Best fit indices and bench marks for validation for Resilience strategies and developmental policies on business performance.

S.NO	Fit indices	Values	Bench mark values
1	Chi-square	232.186	-
2	P-value	0.419	>.05
3	Goodness of fit index(GFI)	0.990	>.9
4	Comparative fit index(CFI)	0.986	>.9
5	Normed fit index(NFI)	0.984	>.9
6	Root Mean Square Error of Approximation(RMSEA)	0.069	<=0.08

From the above table it is found that the structural equation model is constructed over the observed factors and unobserved factors and their relationship are established through the correlation values. The individual factors of resilience strategies have the correlation coefficients ranging from .5 to 1 which implies that all the five factors of resilience strategies of MSMEs confirmed and they can be further reduced him establishing the relationship with this performance and developmental policies support of the government. The structural equation model diagram also indicated the relationship between observed factors of developmental policies and unobserved factors through the correlation value which are statistically significant. The five factors of business performance and their relationship with unobserved factors are also statistically significant to confirm the factors of developmental policies and business performance. It is further confirmed in the table with 6 fit indices revealed that all the fit indices exactly satisfy the required benchmark value to prove the following relationships. All these proposed hypotheses are accepted and supported at the 95% confidence level.

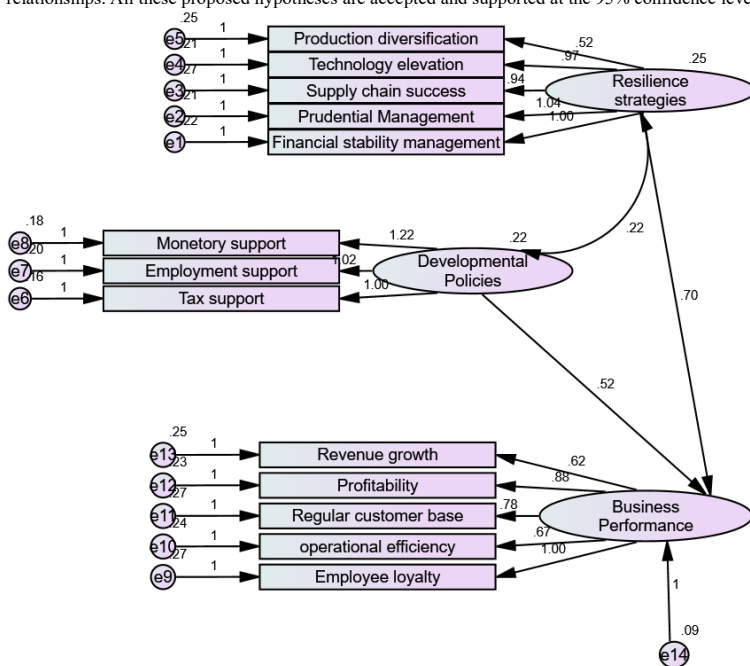


Figure.1.SEM.

8. Findings and Conclusion.

It is found from the rigorous statistical analysis that the resilient strategies are very important for MSMEs to increase their business performance and their dimensions. The production diversification and easily switching to another product production can save all the business performance of MSMEs even during emergencies and pandemic scenarios. The resilience strategies namely technological divisions and effective supply chain management actually increases the growth and development of the organization by increasing the production, reducing the cost and the support of augmented technology. The prudential futuristic management strategies of MSMEs and financial stability management can assist them to increase their business performance to prove the successful existence. There are regular developmental policies of state and central governments to the MSMEs in the form of monetary support, employment support and Tax support respectively and these supports help the MSMEs for their sustained performance in the industry and also planned for their profitability.

There is a significant cumulative impact of resilience strategies and developmental policies on the business performance of MSMEs in the form of increasing the revenue growth and profitability. Regular customer base and operational efficiency actually motivate the MSMEs to sustain in the same field. The loyal employees within the MSME are actually useful for them to increase their operational efficiency and revenue. It is concluded that resilience strategies and developmental policies are cumulatively very important for each and every MSMEs in the study area are to establish their conspicuous business performance.

9. Suggestions.

The study revealed that production diversification is very essential resilience strategies for MSMEs to meet out the emergency scenarios therefore it is suggested that the developmental policies of the government should support them and enlighten them for the new product production and orchestrations in the emergency situations. The tax benefits and marketing support are essential for MSMEs from the government side therefore it is suggested that state and central government should periodically enlighten and conduct training programs in the form of entrepreneurial development to increase the growth and development of MSM base.

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