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Article

MSMEs of Haryana: Challenges and Revival Strategies

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Abstract

MSMEs are the industry's transformation engine and the backbone of economic growth for India, just as they are for any other developed or developing nation. They contribute to regional development, employment generation, industrial production, GDP growth, economic diversification, social stability, export earnings, and originating self-reliance. This dynamic sector also faces several challenges. The literature review from various studies explores the various problems and challenges encountered by MSMEs finance, production, marketing, human resources, technology, operations, export potential, lack of management, financial literacy, problems in acquiring capital on time, lack of consultancy support, complicated documentation, lack of updated technological skills, low literacy in ICT, lack of motivation, presence of high employee attrition, poor-quality products, inefficient logistics, poor bargaining power, infrastructural and informational gaps, complicated labour and other laws, policy uncertainty, etc. This research paper aims to present the financial and production challenges faced by MSMEs in Haryana and find out the probable efforts that have also been made to suggest remedial options.

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

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1. Introduction

India is one of the fastest-developing economies in the world, presently the fifth largest economy (IMF, 2023), and small-scale enterprises are playing a vital role in generating employment and contributing to the nation's economy. (Essel et al., 2019; Kadam, 2019). These enterprises are an inspiring subject and a strong pillar of the national economy (Shah, R. 2020) that constantly expands to another business-standard. The next decade will see India transform from an emerging power into an economic powerhouse. In this journey, MSMEs will be an essential gear or pillar (Shah, R. 2020); that is, they will contribute to the backbone of the Indian economy by generating employment opportunities during the economic slowdown and recession periods with remarkable growth rates (Panigrahi, S.K., 2020) at a large scale and facilitating the industrialization of backward and rural areas as compared to large industries (Ministry of Finance, 2018). This sector is also considered a 'growth engine' for the economy in many developed or developing countries, with a constant growth rate in India and abroad. (Panigrahi, S.K., 2020). As per the economic survey of India, this sector (MSMEs) is at a better stage for providing employment opportunities at a large scale and facilitating the industrialization of backward and rural areas compared to large industries (Ministry of Finance, 2018).

Haryana and MSMEs

In the context of Haryana, the government gives financial help and incentives to the business sector to provide a progressive, developing, and competitive environment for business (Industrial and Investment Policy 2011). Haryana Government also ranked first in Ease of Doing Business in North India and fifth in the country (https://economictimes.com). It is the largest producer and exporter of food grains, software, basmati rice, two- and four-wheelers i.e., tractors, and cars (Business Reforms Action Plan 2017). At present, Haryana state is in a self-dependent phase and is in the position of becoming a production centre. Various MNCs are now getting ready to invest in various state-owned enterprises. In Haryana, a separate, distinct department has been promoting MSMEs. The Government of India and RBI specify several rules and regulations and prepare policies to improve banks' contribution to development.

Due to the marvellous efforts of the state government, MSMEs can generate employment and reduce regional imbalance. In Haryana, there are more than 1 lakh enterprises with an investment of Rs. 20,000 crore and 10 lakh employment options. They are producing scientific instruments, metal, textile, light, and food processing-related items. Major units of MSMEs are situated in Panipat, Ambala, Faridabad, Rohtak, Gurugram, Kaithal, and Panchkula. The state government announced plans to develop MSMEs, which include advanced technology, market access, financial incentives, and infrastructure developments. The main aims of growth in this sector are generating more employment opportunities, regional development, and infrastructure developments (Enterprise Promotion Policy in 2015).

The agriculture sector has been the primary occupation of the Haryana people since its inception. Farmers are mobilizing to the small industrial sector because of decreased land-holding capacity. Therefore, the state government is setting up agro-based industries to fully exploit their people's capacity by opening skill development and training centres for MSMEs. Despite the vital role and challenges faced by this sector, timely and appropriate impetus to this sector can outcome in growth rate. This paper highlights possible inputs that can help MSMEs provide a supportive environment. Further, it is required to adopt a new launch schemes campaign to foster the nation's growth through these units, i.e., Make in India, Digital India, new research and development, global technologies and innovation, and developing corporate vendors.

Review of Literature

Venugopal, K., and Das, S. (2022) reveal the challenges MSMEs face, i.e., financing, technology, export, market, etc. Further research discussed that government support for these MSMEs positively impacted the growth of these enterprises. Sharma (2022) also explained various challenges like decreased income, decreased customer count, and increased operational and production costs. Bisht, H.S., and Singh, D. (2021) stated categories of challenges: infrastructure/technology, human

resources, finance, and government-related. The researcher further added that upgradation of knowledge and skill, improvement in productivity and quality of product, labour laws, uses of IT techniques in business processes, provision to accept alternative arrangements for collateral, and simplification of the loan distribution process are the key recommendations for suitable growth of the sector. Das. R. (2021) finds in his study that lack of adequate infrastructure, communication and transport problems, less importance given by banks and financial institutions, lack of awareness and innovative ideas, shortage of skilled workforce, lack of adequate marketing skills, raw material problems, access to new markets, lower quality of products, government rules and policies, and marketing problems are the key issues that hamper the growth of MSMEs. Mai Al Saifi (2021) defined the study's outcome as showing that key challenges that affect MSMEs are high credit facility costs, complex collateral requirements, a lack of an adequate guarantor, a short repayment time, and high credit facility fees. Lowering interest rates enhances customer service by widening the portfolio of products, extending the loan payment cycle, and rethinking the collateral policy on security. This study also provides recommendations to help overcome these challenges (Nadyan et al., 2021). Mittal and Ramman (2021) find that a lack of managerial skills by small business owners would affect the growth possibilities of the businesses. Government administrative requirements added to the challenges encountered by MSMEs. Tripathy and Bisoni (2021) highlighted the contribution of MSMEs to the growth of the country's economy, the losses incurred by this sector, and probable solutions. Raney (2020) has analysed the impact of various challenges on MSMEs, i.e., shortage of raw materials and other materials, skilled workforce, absence of advancement in technology, and FDI. This paper's research suggested that the core areas that impact MSMEs are finance, people, logistics, and premises manufacturing. Sivasree, H.V., and P. Vasavi (2020) find a shortage of skill development and training programs, poor infrastructure, competition from MNCs, a lack of marketing channels, the absence of the latest technology, the unavailability of raw materials, and a shortage of credit from banks to be the key challenges of this sector. S. Jailap Deen (2020) mentioned the shortage of training centres for entrepreneurs, the shortage of technical support, difficulties in obtaining finance, the lack of technical and infrastructure support, the lack of proper marketing of the product, competition from local, national, and international entities, the absence of the latest technology, the absence of accessing credit facilities from banks, inadequate information, and the absence of skilled labour.

Research Methodology

Primary data was collected using the survey method from a sample of 384 MSMEs to discover the problems encountered using **the Krejcie and Morgan (1970**) table. This study was undertaken by taking a stratified random sampling of six divisions of Haryana. The sample from six districts of the state from each division, i.e., Yamuna Nagar (39), Faridabad (93), Gurugram (103), Hisar (49), Sonipat (40) and Panipat (60), has been selected, which has the maximum number of enterprises.

Independent Variable- gender, education qualification, age of business units, age of entrepreneurs and category of enterprises.

Dependent Variable- Financial and Production Challenges

Measurement of Financial Challenges- Seven statements were used to analyse the financial challenges encountered by the MSME sector. All seven assertions have been rolled into two categories: capital and loan. The statement that enormous capital is required, insufficient working capital and lack of financial literacy have been combined in factor capital. Statement of delay in obtaining a loan, interest on the loan is high, collateral and the amount of loan is insufficient to meet the requirement has been combined as loan factor, and the combination of factor loan and capital termed as financial challenges were then utilised to evaluate. These statements were extracted from Goswami, P. (2018) and Kumar, K. & K Divyang, K. (2017).

Measurement of Production Challenges- Seven statements were used to analyse MSMEs' production challenges. These seven statements have been combined into two factors, i.e., raw material, infrastructure, and equipment. The statement of non-available of raw material, high cost of raw material

and poor quality of raw material are combined in factor raw material challenges. The statement on equipment problems, power shortage, obstruction by intermediaries and lack of technology combined in infrastructure and equipment factors. Raw materials, infrastructure, and equipment have been combined as production challenges. These statements have been taken from Goswami, P. (2018) and Kumar. K. & K Divyang, K. (2017).

Entrepreneurs were asked to indicate their level of agreed or disagree with statements using a 5-point Likert scale, with 1 indicating "strongly disagree" and 5 indicating "strongly agree". The collected data were processed through SPSS 29. One-way ANOVA (three intended variables) and t-test (two independent variables) have been used as a statistical tool to analyse this study.

Analysis and Interpretation

Financial Challenges

Hypothesis 1

Ho: Mean Financial Challenges and the two components of financial challenges entrepreneurs face do not differ significantly based on respondents' gender.

H1: Mean Financial Challenges and the two components of financial challenges entrepreneurs face differ significantly based on respondents' gender.

Table: 1 Financial Challenges and Gender of Respondents.

Component	Gender	N	Mean	Test Statistics	P value
Capital	Male	376	3.5496	9.144	.003
	Female	08	4.1667		
Loan	Male	376	3.5831	8.514	.004
	Female	08	4.0000		
Financial Challenges	**Male**	**376**	**3.5664**	**7.806**	**.005**
	Female	**08**	**4.0833**		

Source: Data compiled by researcher using SSPS (version 29)

Table 1 shows the financial problems faced by entrepreneurs broken down by gender. The data show that the average score for capital-related financial problems is higher for women (4.1667) than for men (3.5496) entrepreneurs. In the same way, the average score for financial challenges tied to loans is higher for female entrepreneurs (4.000) than for male entrepreneurs (3.5831). The parametric test (t-test) determines whether a financial problem and its parts are linked, considering the respondents' gender. Before using the test, Leven's test is used to check the assumption that the difference between two gender groups is the same. According to the data, variance is now the same everywhere. The null hypothesis looks at whether capital and loan-related financial problems are different for men and women in a big way. The t-statistic for capital challenges is 9.144, and the t-statistic for loan challenges is 8.514. means that cash and loan-related financial problems differ for men and women. P value is significant at a 5% level of significance.

Overall, the mean score of female entrepreneurs (4.0833) is higher than that of male entrepreneurs (3.5644), t-value is 7.806 (less than 5%). Financial challenges and their two parts, capital, and loans, differ for men and women. So, the null hypothesis is not valid.

Hypothesis 2

Ho: Mean Financial Challenges and the two components of financial challenges faced by entrepreneurs do not differ significantly based on the age of entrepreneurs.

H1: Mean Financial Challenges and the two components of financial challenges faced by entrepreneurs differ significantly based on the age of entrepreneurs.

Table:2: Financial Problems and the Age of Entrepreneurs

Component	Age of Entrepreneurs	N	Mean Score	Test Statistics (F value)	P value
Capital	Up to 30	63	2.2090	3.679	.026
	30-40	182	2.6103		
	Above 40	139	2.3975		
Loan	Up to 30	63	2.0714	4.892	.008
	30-40	182	2.4904		
	Above 40	139	2.2338		

Financial Challenges	Up to 30	63	**2.1402**	4.547	.011
	30-40	182	**2.5504**		
	Above 40	139	**2.3981**		

Source: Data compiled by researcher using SSPS (version 29)

The average score for financial difficulties and its two parts, capital and loan, are displayed in Table 2. The age group of 30-40 had the highest mean score of capital-related issues (2.6103), followed by those between the ages of 40 and above (2.3675) and those below the age of 30 (2.2090). The null hypothesis has been evaluated to see if the difference is statistically significant. One-way ANOVA tests the hypotheses when there are more than two independent variable categories. The findings of the Levene test indicate that the variances are similar. The F-value for problems involving capital is 3.676, and since the P-value is less than 0.05, it is statistically significant at the 5% level. Therefore, the null hypothesis must be rejected.

The average score of Loan-related financial problems is higher at 2.4904 among those aged 30–40, 2.2338 among those aged 40, and 2.0714 among those aged 30 and under. The t-values are statistically significant at the 5% level because the F-value is 4.892 and the P-value is 0.05. Therefore, the alternative hypothesis must be accepted.

The mean score of financial difficulties is highest for those between the ages of 30 and 40 (2.5504), followed by those between the ages of 40 and above (2.3981) and those aged up to 30 (2.1404). The F-values are statistically significant at the 5% level since the P-value is less than 0.05. Therefore, the alternative hypothesis must be accepted.

Hypothesis 3

Ho: Mean Financial Challenges and its two components of financial challenges faced by entrepreneurs are similar based on the qualifications of entrepreneurs.

H1: Mean Financial Challenges and the two components of financial challenges entrepreneurs face differ significantly based on their qualifications.

Table: 3 Financial Challenges and Qualification of Entrepreneurs

Component	Qualification of Entrepreneurs	N	Mean Score	Test Statistics (F value)	P value
Capital	Up to 12th	51	3.6275	4.591	.011
	Graduation	187	3.6542		
	Post-Graduation	146	3.3493		
Loan	Up to 12th	51	2.3873	9.681	.000
	Graduation	187	2.5334		
	Post-Graduation	146	2.0462		
Financial Challenges	Up to 12th	51	**3.0074**	**14.942**	**.000**
	Graduation	187	**3.0938**		
	Post-Graduation	146	**2.6978**		

Researchers used SSPS (version 29) to compile their data.

The average score for the financial difficulties survey and its two subscales are shown in Table 3. Graduate-level entrepreneurs had the most significant average qualification (3.6542), followed by those with a postgraduate degree (3.6275) and those with an undergraduate degree (3.3493). The significance of the difference in the basic educational level of entrepreneurs has been tested using the null hypothesis. An ANOVA is utilized to test the hypotheses. The findings of the Levene test indicate that the variances are similar. The F statistic for capital-related problems is 4.591, and the P-value is less than 0.05. Therefore, the alternative hypothesis has been accepted.

The graduate entrepreneurs had the highest mean score (2.5334), followed by up to 12th qualification (2.3873) and postgraduates (2.0462) respondents. The significance level for the F-statistic is 5%, and the P-value is less than 0.05; the results are significant. Therefore, the alternative hypothesis has been accepted.

The mean score of financial difficulties of graduate entrepreneurs has been higher (3.0938), followed by up to 12th (3.0074) and postgraduates (2.6978). The F-statistic is 14.942, and as the P-value is less than

0.05, the F-values are statistically significant at the 5% level. Therefore, the null hypothesis has been retained.

Hypothesis 4

Ho: Mean Financial Challenges and its two components of financial challenges faced by entrepreneurs are similar based on the age of respondents.

H1: Mean Financial Challenges, and the two components of financial challenges faced by entrepreneurs differ significantly based on the basic of respondents.

Table 4: Financial challenges and Age of enterprises.

Component	Age of Enterprises	N	Mean Score	Test Statistics (F value)	P value
Capital	Less Than 5	138	3.4662	2.327	.099
	5-10	100	3.7100		
	More than 10	146	3.4795		
Loan	Less Than 5	138	2.4438	2.833	.060
	5-10	100	2.4000		
	More than 10	146	2.1712		
Financial Challenges	**Less Than 5**	138	**2.9550**	2.471	.032
	5-10	100	**3.0550**		
	More than 10	146	**2.8253**		

Source: Data compiled by researcher using SSPS (version 29)

The average mean score for financial challenges and its two parts, capital and loan, are shown in Table 14.4. The average mean score for capital-related financial difficulties is highest for those in operation between 5-10 years (3.7100), followed by more than ten years in operation (3.4795) and less than five years in operation (3.4662). The hypothesis has been researched to check whether the difference is meaningful. A one-way ANOVA is employed to test the hypotheses since only three categories of independent variables exist. Levene's test indicates no evidence of variance homogeneity. With an F statistic of 2.327, capital-related financial difficulties are statistically significant at the 10% significance level. Therefore, the alternative hypothesis must be accepted.

Enterprises with ages less than five years (2.4438) had the highest mean score of loan-related financial issues (3.6675), followed by those with ages between 5- 10 years old (2.4000). The F statistic for the loan-related challenges is 2.833, and the P value is smaller than 10% (significant at the 10% level). As a result, the null hypothesis has been rejected.

The average score of financial difficulties is highest for enterprises ages 5-10 (3.0550), followed by those between less than five years (2.9550) and more than ten years (2.8253). The F statistic for the financial challenges is 2.471, and the P value is smaller than 0.05; the F values are significant at the 5% level. Therefore, the alternative hypothesis has been accepted.

Hypothesis 5:

Ho: Financial challenges and their two components are similar to the basic enterprises category.

H1: Financial challenges and their two components differ significantly in the basic enterprises category.

Table 5: Financial Challenges and Category of Enterprises.

Component	Category of Enterprises.	N	Mean Score	Test Statistics (F value)	P value
Capital	Micro	239	3.7197	12.884	.001
	Small	104	3.2051		
	Medium	41	3.2927		
Loan	Micro	239	2.3692	2.100	.124
	Small	104	2.3582		
	Medium	41	2.0183		
Financial Challenges	Micro	239	**3.0445**	9.374	.001
	Small	104	**2.7817**		
	Medium	41	**2.6555**		

Source: Data compiled by researcher using SSPS (version 29)

The average score for financial difficulties and its two components by business category are shown in Table

5. Microbusinesses have the highest mean score of capital problems (3.7197), followed by medium businesses (3.2927) and small businesses (3.2051). F statics for financial problems in the is 12.884. The significance level of 5% requires a p-value of less than 0.05. Therefore, the alternative hypothesis has been accepted.

Micro enterprises have the highest mean score of loan problems (2.3692), followed by small (2.3585) and medium (2.0183) enterprises. The F-statistic is 2.100, and the P-value is more than 0.05; the F-values are not statistically significant at a 5% level. As a result, we will continue to use the null hypothesis.

Micro-enterprises face more financial difficulties (3.0445), followed by small businesses (2.7817) and medium-enterprises (2.6555). The F-statistic is 9.374, and the P-value is less than 0.05 (significant at a 5 % level of sign.). Therefore, the alternative hypothesis has been accepted.

Production Challenges

Hypothesis 6

H0: Mean Production challenges and the two components entrepreneurs face do not differ significantly with respondents' gender.

H1: Mean Production challenges and the two components of Production challenges entrepreneurs face differ significantly concerning respondents' gender.

Table 6- Production Challenges and Gender of Respondents.

Component	Gender	N	Mean	Test Statistics	P value
Raw Material	Male	376	3.4858	.421	.517
	Female	08	3.6250		
Infrastructure & Equipment	Male	376	3.4486	5.945	.015
	Female	08	4.0000		
Production Challenges	**Male**	376	**3.4672**	**3.499**	**.062**
	Female	08	**3.8125**		

Source: Data compiled by researcher using SSPS (version 29)

Table 6 displays the production challenges, with the gender of entrepreneurs. Female entrepreneurs had a higher mean score (3.6250) for raw material-related production problems than males (3.4858). A parametric test (t-test) is performed to analyse the production difficulties. The null hypothesis is to see if a statistically significant difference exists between production challenges and gender or respondents. The T-statistic is .421 (not significant at the 5% level of sig.), suggesting no significant gender differences in the difficulties associated with the raw materials.

Similarly, the average score of female entrepreneurs (4.000) is higher than that of male entrepreneurs (3.4486) regarding infrastructure and equipment-related production issues, with a t-statistic of 5.945 (significant at the 5% level of sig.). Therefore, the alternative hypothesis has been accepted. Overall, female entrepreneurs have a higher mean score (3.8125) for production challenges than males (3.4672). T- statistics is 3.499 (significance at 10% significance level). Since production difficulties, Therefore, the alternative hypothesis has been accepted.

Hypothesis 7

H0: Production challenges and their two components are the same, as are production-related challenges when comparing entrepreneurs of different ages.

H1: There is a large age difference between Production Challenges and its two components, Production Challenges.

Table 7: Production Challenges and Age of Entrepreneurs

Component	Age of Entrepreneurs	N	Mean Score	Test Statistics (F value)	P value
Raw Material	Up to 30	63	4.1376	9.276	.001
	30-40	182	3.9744		
	Above 40	139	3.6763		
Infrastructure & Equipment	Up to 30	63	2.7183	.442	.643
	30-40	182	2.5920		
	Above 40	139	2.5845		
Production Challenges	Up to 30	63	**3.4279**	4.972	.007
	30-40	182	**3.2832**		
	Above 40	139	**3.1304**		

Source: Data compiled by researcher using SSPS (version 29)

The production challenges related to the mean score and the two factors that make up that score are displayed in Table 7. Entrepreneurs up to 30 years of age have the highest mean score (4.1376) for raw material-related production issues, followed by those 30–40 years old (3.9744) and those older than 40 years old (3.6763). An ANOVA is utilized to test the hypotheses. Levene's test shows that the variances are similar across groups. F statistics for raw materials-related challenges is 9.276. The F-values are statistically significant at the 5% level since the P-value is less than 0.05. Therefore, the alternative hypothesis has been accepted.

Challenges with infrastructure and equipment have the highest mean score among those under the age of 30 (2.7183), followed by those between the ages of 30- 40 (2.5920) and over the age of 40 (2.5845). The. 442 F statistic and the larger-than-.05 P value indicates that the F values are not statistically significant at the 5% level. Therefore, the bull hypothesis has been retained.

The average score of production difficulties as a function of an entrepreneur's age is 3.4279 for those under 30, 3.2832 for those between 30- 40, and 2.5845 for those over 40. The 5% significance level requires a p-value of less than 0.05, and the F-statistic in this case is 4.972. Therefore, the alternative hypothesis must be accepted.

Hypothesis 8

Ho: Production challenges and their two components of production-related challenges are similar to the basic qualifications of entrepreneurs.

H1: Production Challenges and its two components of Production Related Challenges differ significantly on entrepreneurs' basic qualifications.

Table 8 Production challenges and qualification of Entrepreneurs

Component	Qualification of Entrepreneurs	N	Mean Score	Test Statistics (F value)	P value
Material	Up to 12th	51	3.7843	6.224	.002
	Graduation	187	3.6542		
	Post-Graduation	146	3.3493		
Infrastructure & equipment	Up to 12th	51	2.8775	14.895	.001
	Graduation	187	2.5334		
	Post-Graduation	146	2.0462		
Production Challenges	Up to 12th	51	**3.3309**	**21.994**	**.001**
	Graduation	187	**3.0938**		
	Post-Graduation	146	**2.6978**		

Source: Data compiled by researcher using SSPS (version 29)

Table 8 shows the mean score for production difficulties and its two components with respondents' qualifications. It is highest among those with up to 12th (3.7843), then those with graduates (3.6542), and post-graduates (3.3493) entrepreneurs. An ANOVA is utilized to test the hypotheses. The findings of the Levene test indicate that the variances are similar. The raw materials statistics have an F-statistics of 6.244. The significance level of 5% requires a p-value of less than 0.05. Therefore, the alternative hypothesis has been accepted.

The average score for difficulties with infrastructure and equipment is highest for those with a high school diploma or less (3.8775), followed by those with a bachelor's degree (2.5334) and a master's degree or more (2.0462). F values meet the 5% significance level, as the F statistic is 14.895 and the P value is smaller than 0.05. Therefore, the alternative hypothesis has been accepted.

The average score for production difficulties for a respondent qualification up to 12th is 3.3309 for graduates (3.0938) and post-graduates, 2.6978. The F-statistic is 21.994, and the P value is less than 0.05 (significance at 5% level of the sign.). Therefore, the alternative hypothesis has been accepted.

Hypothesis 9:

Ho: Production Challenges and the two components of Production Related Challenges do not differ significantly based on the age of the enterprises.

H1: Production Challenges and the two components of Production Related Challenges differ significantly based on the age of the enterprises.

Table 9- Production Challenges and Age of enterprises.

Component	Age of Enterprises	N	Mean Score	Test Statistics (F value)	P value
Raw Material	Less Than 5	138	2.9783	3.062	.048
	5-10	100	3.2567		
	More than 10	146	3.0776		
Infrastructure & equipment	Less Than 5	138	3.1268	1.832	.161
	5-10	100	3.3350		
	More than 10	146	3.1524		
Production Challenges	**Less Than 5**	138	**3.0525**	2.714	.068
	5-10	100	**3.2958**		
	More than 10	146	**3.1150**		

Source: Data compiled by researcher using SSPS (version 29)

The average score for production difficulties and its two components have been shown in Table 9. The mean score of raw material production challenges is highest for the ages of enterprises 5-10 (3.2567), followed by more than 10 (3.0776) years and less than 5 (2.9783) years. The significance of the difference has been tested by investigating the hypothesis. One-way ANOVA is employed to test the hypotheses. Levene's test shows that the variances are similar across groups. The raw materials problem has an F statistic of 3.062 and a P value of less than 0.05; the F values are significant at the 5% level. Therefore, we have accepted the null hypothesis.

Enterprises with 5-10 years had the highest mean score (3.3350) for infrastructure and equipment-related production challenges, followed by those with more than 10 years (3.1524) and less than 5 years (3.1268). The 5% significance level is not met by the F values (F statistic = 1.832, P > 0.05). Hence, we have retained the null hypothesis.

The average production difficulty score is highest for entrepreneurs between the ages of 5 and 10 (3.2958), followed by more than 10 (3.1150) years and less than 5 years (3.0525). The production problem has a significant F statistic of 2.471, and its P value is less than 10%, which is a significant value. Therefore, we have accepted the alternative hypothesis.

Hypothesis 10

Ho: Production Challenges and the two components of Production Related Challenges are similar in the basic category of Enterprises.

H1: Production Challenges and the two components of Production Related Challenges differ significantly on the basic category of Enterprises.

Table 10: Production Challenges and Category of Enterprises.

Component	Category of Enterprises.	N	Mean Score	Test Statistics (F value)	P value
Raw Material	Micro	239	3.1757	4.393	.013
	Small	104	2.8782		
	Medium	41	3.1138		
Infrastructure & Equipment	Micro	239	3.3651	14.418	.000
	Small	104	2.8317		
	Medium	41	3.0854		
Production Challenges	Micro	239	**3.2704**	9.905	.000
	Small	104	**2.8550**		
	Medium	41	**3.0996**		

Source: Data compiled by researcher using SSPS (version 29)

The average score for production difficulties and its two components by type of enterprise are shown in Table 10. Micro-enterprises' average is 3.1757, followed by medium at 3.1138, and small enterprises at 2.8782. The significance of the difference has been tested by examining the null hypothesis. A one-way ANOVA tests the hypotheses since only three values exist for the independent variable. Levene's test shows that the variances are similar across groups.

Raw materials challenges F statistics is 4.393, and the P value is less than 5%. (Significance at 5% level of sign.). There, the Ho has been rejected.

Micro enterprises have the highest mean score (3.3691) for infrastructure and equipment problems, followed by medium (3.0854) and small (2.8317) enterprises. The F-statistic is 14.418, and the P-value is less than 0.05, so the F-values are statistically significant at the 5% level. Therefore, the Ho has been accepted.

Micro-enterprises (3.2704) had the highest mean score of production problems, followed by medium (3.0996) and small (2.8550) enterprises. The F statistic is 9.905, and the P value is less than 0.05 (significant at the 5% level). Therefore, the Ho has been accepted.

Finding and Conclusion

Financial Challenges

Female entrepreneurs faced more financial challenges than male entrepreneurs in obtaining loans and capital. Entrepreneurs between the ages of 30- 40 experience the most financial challenges, followed by more than 40 and up to 30. Graduate entrepreneurs have had the most financial challenges depending on their qualifications, followed by up to 12th and post-graduate entrepreneurs. Entrepreneurs who had been in operation for 5–10 years had the most difficulty related to capital and overall financial challenges, followed by more than 10 years and less than 5 years. Entrepreneurs who have been in operation for less than 5 years have more loan challenges, followed by 5- 10 years. And more than 10 years. Microenterprises had the most challenges in their financial obligations connected to the capital, followed by small and medium enterprises. In contrast, micro-enterprises suffered the most significant challenges in terms of loans and overall financial challenges, followed by small and medium enterprises.

Production Challenges

The results showed that production challenges with its two components, i.e., raw material and infrastructure and equipment manufacturing challenges, were faced more by female than male entrepreneurs. These challenges are faced more by entrepreneurs under 30 than those between the ages of 30- 40 and over 40. Based on respondents' qualifications, it has been revealed that the production difficulties faced by those who qualify 12th, followed by graduation and post-graduate, are more based on respondents' qualifications. When comparing the ages of entrepreneurs, the results showed that those with 5–10 years of experience had the most production difficulty, followed by those with more than 10 years and those with less than 5 years. Micro, medium and small medium enterprises experienced the greatest production difficulties and their two components, raw material and infrastructure and equipment-related difficulties.

Suggestion:

1. The government should make it easier for SMEs to acquire banking services. These actions should include adjustments to interest rates, collateral standards, and credit registration processes. Therefore, the government should work on creating, expanding, and promoting these enterprises.

2. Take legal action against those who fail to make timely payments to MSMEs or who are in default themselves. Payment delays hamper the MSME's capacity and need to be improved orders.

3. The banks are helping by giving subsidies and financing government programmes. Banking institutions and the state must work together effectively. It is the responsibility of the bank manager to seek out struggling business owners and help them secure loans, with the branch manager responsible for adhering to the bank's established lending rates. The bank and DIC work together to coordinate loan disbursement and repayment.

4. There should be no unnecessary delays in the delivery of loans. The bank's ability to recoup loans promptly depends on its continued communication with business owners, with whom it must keep in regular contact to ensure prompt loan disbursement.

5. Loans taken out by the MSME sector should have reduced interest rates, with micro-enterprises paying the lowest rates, small enterprises paying somewhat higher rates, and medium enterprises paying the highest rates. These rates can be used for the first three to five years. The standard prices can be applied

after that. Policymakers should provide instruction on cash flow management for SMEs. Banks and other financial organisations can better allocate subsidies and other financial aid if people keep and disclose accurate financial information.

6. To reduce production losses caused by a raw material shortage, MSMEs must implement modern inventory management systems. The association of MSME units can solve the raw material problem and lead to the collective acquisition and delivery of scarce raw materials.

7. A local market should be formed for raw materials, which is particularly desirable because most of the raw materials used by MSME units come from outside the city.

8. The government needs to ensure that industrial estates have access to essential services like reliable power and water, proper drainage and roads, safe storage and disposal of chemical waste, efficient operation of effluent treatment plants, adequate housing for workers and technical personnel, convenient access to transportation, etc. These industrial estates should be constructed to the highest global standards to maximise efficiency and effectiveness.

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