

## Entrepreneurial Impact in Viksit Bharat with Exploratory Factor Analysis

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### ABSTRACT

A multivariate statistical method called factor analysis is used to find underlying latent factors that account for the pattern of correlations between many observed variables. Reducing a large number of interconnected variables associated with MSME operating issues into a smaller set of significant and comprehensible factors is the main goal of using factor analysis in this study.

**Keywords:** Exploratory Factor Analysis, Entrepreneurial Impact, Viksit Bharat, Clearer Management.

### Introduction

Issues like the availability of trained workforce, financial management, government assistance, marketing capabilities, and the regulatory environment are frequently interconnected in the context of MSMEs. By classifying these connected factors into shared dimensions, factor analysis facilitates study and improves comprehension of the main issues MSMEs face. Clearer management and policy-level implications are also supported by this reduction. 15 variables taken from survey data were subjected to an exploratory factor analysis (EFA) in order to uncover the latent components impacting entrepreneurial success and obstacles. Reducing the observable variables into a smaller number of interpretable components and identifying underlying linkages between them were the objectives. Evaluation of Factor Analysis Data Suitability Prior to factor analysis, the data's sufficiency was assessed using:

#### Kaiser-Meyer-Olkin (KMO) Adequacy Measure for Sampling

With a KMO score of 0.862, which is regarded as excellent (Kaiser, 1974), factor analysis was justified because the sampling was sufficient and the correlation patterns were reasonably compact.

A Chi-square value of 4338.819 with 105 degrees of freedom was obtained using Bartlett's Test of Sphericity, which was significant at the  $p < 0.001$  level. This implies that factor analysis is suitable for the data.

#### Suitability of Data for Factor Analysis Table : KMO and Bartlett's Test

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.	.862	
Bartlett's Test of Sphericity	Approx. Chi-Square	4338.819
	df	105
	Sig.	.000

The Kaiser-Meyer-Olkin (KMO) Measure of Sampling Adequacy and Bartlett's Test of Sphericity were used to evaluate the adequacy of the data prior to factor analysis. The calculated KMO value of 0.862 is significantly higher than the 0.60 minimum acceptable level. This suggests that the variables have enough shared variance for factor analysis and that the sample size is suitable.

With 105 degrees of freedom, Bartlett's Test of Sphericity produced a chi-square value of 4338.819, which is statistically significant at  $p < 0.001$ . This outcome demonstrates that there are significant correlations between the variables and that the correlation matrix is not an identity matrix. As a result, factor analysis can be applied to the data.

### Communalities

Communalities show how much of each variable's variance may be accounted for by the components that were extracted.

**Figure: Each variable's variance Communalities**

Communities		
	Initial	Extraction
During start-up i found enough employees to start business	1.000	.711
Skilled labor force avail long time by relations	1.000	.677
Skilled labor force can't connect more attract by large companies because of higher pay	1.000	.312
Working capital, i.e. funds needed for daily use is always available	1.000	.414
Books of account are maintained in a professional manner by computerized manner	1.000	.693
More expensive to keep special accountant staff for small businesses	1.000	.736
Bank procedures for availing loan are long and complex	1.000	.665
Banks interest charges are reasonable	1.000	.540
Government subsidies are provided to entrepreneur who actually needs it	1.000	.710
Government employees in-charge of different schemes are honest in providing benefits without biasness	1.000	.498
Entrepreneurship Development programmers is important for entrepreneurship	1.000	.518
The product and/or Service offered to customers is satisfactory and effectively marketed	1.000	.754
I am capable to compete with other companies (also import) through effective marketing and competitive pricing	1.000	.733
The location of my Unit is favourable and provide easy access to resources and markets	1.000	.743
I am satisfied with present programmers / facilities that the government is providing for upcoming and already existing business	1.000	.555

The majority of the variables in this study have extraction values above 0.50, suggesting that the factor solution accounts for a significant portion of the variance.

This confirms that the selected variables are well represented by the extracted factors.

### Correlation Matrix

A number of variables pertaining to workforce availability, financial practices, government regulations, marketing capacity, and infrastructure exhibit moderate to strong correlations, according to the correlation matrices. The use of factor analysis is further supported by the existence of strong correlations between several variables, which suggests that these observed variables may be influenced by underlying common factors.

**Table: Correlation Matrix Table**

Correlation Matrix for 1-5 Variable	During start-up i found enough employees to start business	Working capital, i.e. funds needed for daily use is always available	Books of account are maintained in a professional manner by computerized manner	More expensive to keep special accountant staff for small businesses	Bank procedures for availing loan are long and complex
During start-up i found enough employees to start business	1.000	0.405	0.352	0.171	0.117
Working capital, i.e. funds needed for daily use is always available	0.405	1.000	0.532	0.421	0.321

Books of account are maintained in a professional manner by computerized manner	0.352	0.532	1.000	0.630	0.487
More expensive to keep special accountant staff for small businesses	0.171	0.421	0.630	1.000	0.611
Bank procedures for availing loan are long and complex	0.117	0.321	0.487	0.611	1.000
Government subsidies are provided to entrepreneur who actually needs it	0.280	0.404	0.410	0.396	0.333
<b>Correlation Matrix for 1–5 Variable</b>	<b>During start-up i found enough employees to start business</b>	<b>Working capital, i.e. funds needed for daily use is always available</b>	<b>Books of account are maintained in a professional manner by computerized manner</b>	<b>More expensive to keep special accountant staff for small businesses</b>	<b>Bank procedures for availing loan are long and complex</b>
Government employees in-charge of different schemes are honest in providing benefits without biasness	0.126	0.292	0.331	0.227	0.206
I am satisfied with present programmes / facilities that the government is providing for upcoming and already existing business	0.365	0.390	0.477	0.500	0.360
Skilled labor force avail long time by relations	0.551	0.283	0.450	0.299	0.138
Skilled labor force can't connect more attract by large companies because of higher pay	0.158	0.241	0.397	0.391	0.334
Entrepreneurship Development programmes is important for entrepreneurship	0.333	0.347	0.495	0.407	0.334
I am capable to compete with other companies (also import) offering same category of product and/or service with trending price	0.458	0.386	0.646	0.534	0.462
Banks interest charges are reasonable	0.245	0.215	0.281	0.326	0.241
The product and/or Service offered to customers are satisfactory	0.451	0.483	0.693	0.552	0.418
The location of my unit is favourable and provide easy access to resources and market	0.409	0.358	0.687	0.635	0.467
<b>Correlation Matrix for 1–5 Variable</b>	<b>Government subsidies are provided to entrepreneur who actually needs it</b>	<b>Government employees in-charge of different schemes are honest in providing benefits without biasness</b>	<b>I am satisfied with present programmes / facilities that the government is providing for upcoming and already existing business</b>	<b>Skilled labor force avail long time by relations</b>	<b>Skilled labor force can't connect more attract by large companies because of higher pay</b>
During start-up i found enough employees to start business	0.280	0.126	0.365	0.551	0.158
Working capital, i.e. funds needed for daily use is always available	0.404	0.292	0.390	0.283	0.241
Books of account are maintained in a professional manner by computerized manner	0.410	0.331	0.477	0.450	0.397
More expensive to keep special accountant staff for small businesses	0.396	0.227	0.500	0.299	0.391
Bank procedures for availing loan are long and complex	0.333	0.206	0.360	0.138	0.334

Government subsidies are provided to entrepreneur who actually needs it	1.000	0.450	0.477	0.178	0.176
Government employees in- charge of different schemes are honest in providing benefits without biasness	0.450	1.000	0.386	0.183	0.254
I am satisfied with present programmers / facilities that the government is providing for upcoming and already existing business	0.477	0.386	1.000	0.296	0.450
<b>Correlation Matrix for 6-10 Variable</b>	<b>Government subsidies are provided to entrepreneur who actually needs it</b>	<b>Government employees in-charge of different schemes are honest in providing benefits without biasness</b>	<b>I am satisfied with present programmes / facilities that the government is providing for upcoming and already existing business</b>	<b>Skilled labor force avail long time by relations</b>	<b>Skilled labor force can't connect more attract by large companies because of higher pay</b>
Skilled labor force avail long time by relations	0.178	0.183	0.296	1.000	0.462
Skilled labor force can't connect more attract by large companies because of higher pay	0.176	0.254	0.450	0.462	1.000
Entrepreneurship Development programmers is important for entrepreneurship	0.219	0.325	0.344	0.466	0.334
I am capable to compete with other companies (also import) offering same category of product and/or service with trending price	0.330	0.267	0.538	0.464	0.437
Banks interest charges are reasonable	0.498	0.280	0.335	0.146	0.184
The product and/or Service offered to customers are satisfactory	0.374	0.227	0.542	0.435	0.290
The location of my unit is favourable and provide easy access to resources and market	0.354	0.122	0.581	0.452	0.376
<b>Correlation Matrix for 11 -15 Variable</b>	<b>Entrepreneurship Development programmes is important for entrepreneurship</b>	<b>I am capable to compete with other companies (also import) offering same category of product and/or service with trending price</b>	<b>Banks interest charges are reasonable</b>	<b>The product and/or Service offered to customers are satisfactory</b>	<b>The location of my unit is favourable and provide easy access to resources and market</b>
During start-up i found enough employees to start business	0.333	0.458	0.245	0.451	0.409
Working capital, i.e. funds needed for daily use is always available	0.347	0.386	0.215	0.483	0.358
Books of account are maintained in a professional manner by computerized manner	0.495	0.646	0.281	0.693	0.687
More expensive to keep special accountant staff for small businesses	0.407	0.534	0.326	0.552	0.635
Bank procedures for availing loan are long and complex	0.334	0.462	0.241	0.418	0.467

Government subsidies are provided to entrepreneur who actually needs it	0.219	0.330	0.498	0.374	0.354
Government employees in- charge of different schemes are honest in providing benefits without biasness	0.325	0.267	0.280	0.227	0.122
I am satisfied with present programmers / facilities that the government is providing for upcoming and already existing business	0.333	0.458	0.245	0.451	0.409
<b>Correlation Matrix for 11-15 Variable</b>	<b>Entrepreneurship Development programmes is important for entrepreneur ship</b>	<b>I am capable to compete with other companies (also import) offering same category of product and/or service with trending price</b>	<b>Banks interest charges are reasonable</b>	<b>The product and/or Service offered to customers are satisfactory</b>	<b>The location of my unit is favourable and provide easy access to resources and market</b>
Skilled labor force avail long time by relations	0.344	0.538	0.335	0.542	0.581
Skilled labor force can't connect more attract by large companies because of higher pay	0.466	0.464	0.146	0.435	0.452
Entrepreneurship Development programmers is important for entrepreneurship	0.334	0.437	0.184	0.290	0.376
I am capable to compete with other companies (also import) offering same category of product and/or service with trending price	1.000	0.591	0.122	0.638	0.429
Banks interest charges are reasonable	0.591	1.000	0.298	0.733	0.759
The product and/or Service offered to customers are satisfactory	0.122	0.298	1.000	0.141	0.308
The location of my unit is favourable and provide easy access to resources and market	0.638	0.733	0.141	1.000	0.774

### Total Variance Explained

Principal Component Analysis (PCA) was used as the extraction method. Based on the Kaiser criterion (Eigenvalue > 1), three factors were extracted.

Factor 1 explains 43.945% of the total variance. Factor 2 explains 9.743% of the total variance. Factor 3 explains 8.056% of the total variance.

**Table 2: Total Variance Explained**

Total Variance Explained				
Component	Extraction Sums of Squared Loadings	Rotation Sums of Squared Loadings		
	Cumulative %	Total	% of Variance	Cumulative %
1	43.945	4.188	27.917	27.917
2	53.688	2.705	18.032	45.949
3	61.743	2.369	15.795	61.743

Together, these three factors explain 61.743% of the total variance, which is considered satisfactory for social science research. This indicates that the extracted factors adequately summarize the original variables.

**Rotated Component Matrix****Table 2: Rotated Component Matrix**

<b>Rotated Component Matrix<sup>a</sup></b>			
	<b>Component</b>		
	<b>1</b>	<b>2</b>	<b>3</b>
More expensive to keep special accountant staff for small businesses	.815		.265
Bank procedures for availing loan are long and complex	.776	-.135	.213
The location of my Unit is favourable and provide easy access to resources and markets	.753	.398	.129
Books of account are maintained in a professional manner by computerized manner	.698	.366	.270
The product and/or Service offered to customers is satisfactory and effectively marketed	.688	.519	.110
I am capable to compete with other companies (also import) through effective marketing and competitive pricing	.676	.498	.166
I am satisfied with present programmers / facilities that the government is providing for upcoming and already existing business	.489	.287	.484
Skilled labor force can't connect more attract by large companies because of higher pay	.465	.272	.146
During start-up i found enough employees to start business		.808	.240
Skilled labor force avail long time by relations	.213	.793	
Entrepreneurship Development programmers is important for entrepreneurship	.485	.527	
Government subsidies are provided to entrepreneur who actually needs it	.239		.803
Banks interest charges are reasonable	.137		.721
Government employees in-charge of different schemes are honest in providing benefits without biasness		.134	.686
Working capital, i.e. funds needed for daily use is always available	.339	.362	.411

<b>Table: Component Matrix<sup>a</sup></b>			
	<b>Component</b>		
	<b>1</b>	<b>2</b>	<b>3</b>
I am capable to compete with other companies (also import) through effective marketing and competitive pricing	.829	-.201	
The product and/or Service offered to customers is satisfactory and effectively marketed	.824	-.259	
Books of account are maintained in a professional manner by computerized manner	.822		-.125
The location of my Unit is favourable and provide easy access to resources and markets	.820	-.178	-.199
More expensive to keep special accountant staff for small businesses	.740	.138	-.412
I am satisfied with present programmers / facilities that the government is providing for upcoming and already existing business	.718	.192	
Entrepreneurship Development programmers is important for entrepreneurship	.660	-.284	
Working capital, i.e. funds needed for daily use is always available	.614		.167
Bank procedures for availing loan are long and complex	.599	.199	-.516
Skilled labor force avail long time by relations	.586	-.436	.379
Skilled labor force can't connect more attract by large companies because of higher pay	.548		

Government subsidies are provided to entrepreneur who actually needs it	.572	.577	.223
Banks interest charges are reasonable	.431	.553	.221
Government employees in-charge of different schemes are honest in providing benefits without biasness	.435	.471	.295
During start-up i found enough employees to start business	.543	-.279	.582

### Analysis of the Factors Extracted

Three consistent and comprehensible factors were identified via the rotational component matrix:

- "More expensive to keep special accountant staff" (.815)
- "Bank procedures for availing loan are long and complex" (.776)
- "The location of my Unit is favourable and provide easy access to resources and markets" (.753)
- "Books of account are maintained in a professional manner" (.698)
- "The product and/or service offered to customers is satisfactory and effectively marketed" (.688)
- "I am capable to compete with other companies (including importers) through effective marketing and competitive pricing" (.676)

#### Factor 1: Business Competitiveness and Operational Efficiency

Strong loadings were found for this component from factors that represent entrepreneurs' internal management skills and competitive readiness. Among the items with high loadings were:

- "More expensive to keep special accountant staff" (.815)
- "Bank procedures for availing loan are long and complex" (.776)
- "The location of my Unit is favourable and provide easy access to resources and markets" (.753)
- "Books of account are maintained in a professional manner" (.698)
- "The product and/or service offered to customers is satisfactory and effectively marketed" (.688)
- "I am capable to compete with other companies (including importers) through effective marketing and competitive pricing" (.676)

Interpretation: This element reflects the market readiness and internal resource efficiency of the entrepreneur. Entrepreneurs that score highly on this characteristic are likely to have the professional competence and infrastructure necessary to function well in a competitive market. Nonetheless, difficulties like monetary expenses and cumbersome banking procedures remain, illustrating a conflict between operational and capability barriers. The fact that one component contains both efficiency-related and barrier-related items indicates that even entrepreneurs who aim for professional excellence encounter systemic issues that could affect the performance of their businesses as a whole.

#### Factor 2: Support Systems and Institutional Trust (Component 2)

High loadings from elements pertaining to the perceived fairness and support of financial and governmental institutions are included in the second factor:

- "Government subsidies are provided to entrepreneurs who actually need it" (.803)
- "Banks' interest charges are reasonable" (.721)
- "Government employees in charge of different schemes are honest" (.686)
- "Entrepreneurship Development Programmes are important" (.527)

Interpretation: The level of entrepreneurial trust in institutional institutions, particularly the banking and government systems, is reflected in this element. High scorers on this metric think that government officials behave morally, interest rates are reasonable, and assistance programs are allocated equitably. This concept emphasizes how crucial openness, the efficacy of policies, and the

accessibility of government programs are to fostering an atmosphere that supports small enterprises. It also demonstrates how crucial ecosystem trust is for businesses to feel uplifted and supported.

### **Factor 3: Startup Conditions and Accessibility of Human Resources (Component 3)**

Items pertaining to initial workforce availability and labor connectivity make up the third factor:

- "During start-up, I found enough employees to start the business" (.808)
- "Skilled labor force available for a long time through personal relations" (.793)

Interpretation: This element emphasizes how simple it is to obtain human capital in the early phases of a company. High-scoring entrepreneurs gain from social capital, such as networks of friends and family, which enables them to hire a steady, competent workforce without depending on open-market competition? It illustrates the importance of local embeddedness and unofficial support networks, particularly in smaller or resource-constrained enterprises.

### **Variable Representation and Communities**

The majority of variables had extraction communalities greater than 0.5, suggesting that the three components adequately describe them. The factor solution showed good variable inclusion, with the lowest communality being .312 and the maximum being .754.

- **Consequences of the Results**

This factor analysis provides insightful information for businesses and politicians alike:

- Entrepreneurs deal with a dual reality: even though they may have competitive products and operational expertise, performance is nevertheless impacted by outside factors like expenses and intricate processes.
- To increase public confidence in the system, institutional improvements that increase the accessibility and transparency of government programs are obviously necessary.
- Particularly in early-stage entrepreneurship, local social networks and informal labor arrangements are crucial, suggesting the need to encourage community-based skill development and job connections.

- **Final Thoughts**

Three essential components of the entrepreneurial ecosystem were found by the factor analysis:

- Resource Management and Operational Proficiency Governmental and Institutional Assistance
- Access to Labour and Startup Simplicity

Together, these factors account for more than 60% of the variation in entrepreneurial experience. In order to promote more resilient and prosperous entrepreneurship, it might be helpful to have a better understanding of these aspects when designing focused interventions, such as financial literacy training, streamlined loan processes, and regional workforce development initiatives. Gujarat's industrial environment is anchored by Micro, Small, and Medium-Sized Enterprises (MSMEs), which play a major role in creating jobs, boosting industrial output, and fostering entrepreneurship. The goal of the current study, "A Study on Problems and Prospects of MSMEs in Gujarat," was to investigate the main obstacles that MSMEs encounter and pinpoint the fundamental elements that affect their sustainability and performance.

In order to accomplish this, a structured questionnaire was given to MSME owners in different Gujarati districts, and exploratory factor analysis (EFA) was used to analyse the results. Three main elements emerged from the investigation, which capture the wide range of opportunities and difficulties the MSME sector in the area faces.

### **Principal Results of Factor Analysis**

- **Business Competitiveness and Operational Efficiency:** This component encapsulates the internal strengths and weaknesses of MSMEs, such as their capacity to provide competitive goods and services, maintain company location advantages, and handle accounts competently. It does, however, also represent systemic issues such as the expense of hiring qualified personnel and onerous banking processes. Even when they have the skills to successfully compete in the market, entrepreneurs frequently face obstacles such as high operating costs and restricted access to streamlined financial services.

- **Government Support and Institutional Trust:** The second component represents how entrepreneurs view financial institutions and the government. The fairness of government subsidies, a favourable attitude towards entrepreneurship development programs, and affordable bank interest rates all imply that entrepreneurs appreciate institutional support when it is provided effectively and transparently. Nonetheless, there are still doubts regarding the effectiveness of bureaucracy and the accessibility of initiatives, which suggests that policy execution is lacking.
- **Accessibility of Human Resources and Initial Conditions:** The third element draws emphasis to entrepreneurs' early experiences. Gujarat's robust social and cultural capital is demonstrated by the majority of respondents' statements that they could mobilize skilled labor through personal networks. Although advantageous, this dependence on unofficial networks also draws attention to the lack of a formal, structured framework for workforce development and talent matching.
- **Wider Consequences for the MSME Ecosystem in Gujarat:** The findings show that while Gujarati MSMEs are known for their entrepreneurial spirit and flexible business plans, they nevertheless encounter institutional, financial, and structural barriers. Although there is clear room for expansion, particularly considering the state's entrepreneurial culture, a number of problems must be resolved in order to realize this potential:
- **Financial Bottlenecks:** Two significant operational obstacles are the intricacy of bank procedures and the high expense of retaining qualified accounting personnel.
- **Policy Implementation Gaps:** Despite the existence of numerous government programs on paper, there is still a reasonable level of awareness, accessibility, and trust in them.
- **Dependency on Human Capital:** The majority of units rely on local or family labor networks instead of formal hiring procedures, which restricts professionalization and scalability.
- **Conclusion in Relation to Research Goals:** The study's goal of determining the issues and opportunities Gujarati MSMEs confront was accomplished. It shows that despite their resourcefulness and optimism, entrepreneurs are frequently hampered by institutional inefficiencies, a lack of access to capital, and a heavy reliance on unofficial channels. However, if the proper ecosystem is established, the future prospects of MSMEs are bright due to the presence of an entrepreneurial spirit, a readiness to modernize (e.g., the use of computerized bookkeeping), and a favourable approach towards competition.

#### Future Direction

In order for Gujarati MSMEs to realize their full potential, the following issues need to be resolved:

- Reduce operating burdens by streamlining finance procedures and providing reasonably priced support services.
- Boost the execution of government programs through accountability, openness, and awareness-raising.
- To lessen reliance on interpersonal relationships and foster a more professional workforce, invest in formal skill development programs and local talent pools.
- The study's conclusions give entrepreneurs, support organizations, and policymakers a starting point for working together to develop Gujarat's MSME sector and use it as a real engine of equitable economic growth.

#### Overall Interpretation When I talk with MSME's Owner/Executive - Survey Findings

The survey conducted among Micro, Small, and Medium Enterprises (MSMEs) in Gujarat presents a multidimensional understanding of the sector, uncovering both enduring structural Problems and signs of growth-oriented dynamism. MSMEs have emerged as foundational to Gujarat's industrial landscape, yet they remain encumbered by operational inefficiencies, resource limitations, and systemic support gaps. These barriers constrain their ability to scale, compete, and adapt in a rapidly changing economic environment. Nonetheless, the sector exhibits a latent potential for innovation, expansion, and contribution to inclusive development, provided critical enablers are aligned.

A considerable portion of surveyed MSMEs belong to the manufacturing and service sectors, with a minority engaged in trading. These enterprises typically operate with limited capital—often within the ₹10 lakh to ₹2.5 crore range—reflecting a common trend among small-scale businesses. This capital structure signifies that while these units are active and have entrepreneurial intent, they function on tight

financial margins. Their sensitivity to market volatility and economic shocks is therefore high, highlighting the importance of financial resilience and contingency planning.

One of the most pronounced Problems identified through the study is **restricted access to finance**. Despite a variety of government credit schemes and financial products aimed at promoting MSME growth, many enterprises are unable to avail of them. **Documentation complexity, rigid collateral requirements, and procedural opacity** act as significant deterrents. This mismatch between policy design and on-ground execution necessitates a reimagining of credit appraisal systems. Financial institutions must adopt more MSME-specific, flexible frameworks that take into account the unique cash flows and operational dynamics of small businesses.

Equally concerning is the **low conversion rate from awareness to actual utilization of government schemes**. While many entrepreneurs report familiarity with available policies and subsidies, only a fraction succeed in securing benefits. This indicates procedural bottlenecks, communication failures, or institutional inefficiencies that hinder scheme implementation. **To bridge this gap, the government and allied agencies must institute targeted outreach programs, digital facilitation centers, and real-time guidance mechanisms** to demystify the application processes and improve penetration, especially in rural belts.

On the technology front, the sector reveals a cautious yet progressive approach. The COVID-19 pandemic has been a key accelerator of digital transformation. Entrepreneurs have started adopting basic digital tools—such as **accounting software, online payment systems, and e-commerce platforms—to streamline operations and reach broader markets**. However, technological upgradation remains uneven, with rural and semi-urban enterprises facing difficulties due to **inadequate infrastructure, lack of digital literacy, and limited access to skilled IT support**. Bridging the digital divide through capacity building, subsidized hardware/software solutions, and rural connectivity projects is therefore essential. The human resource scenario presents another critical dimension. While many MSMEs succeed in hiring locally available manpower, **retention of skilled employees is persistently difficult**. This is primarily attributed to factors like low salary structures, absence of structured career paths, and inadequate workplace benefits. In contrast, larger corporations offer better packages and professional development opportunities, often drawing away talent. For MSMEs to compete, it is imperative to **develop HR frameworks with performance incentives, training modules, and retention policies, possibly supported by state-led skill development missions**.

Despite these Problems, the overall outlook among **entrepreneurs remains positive**. A majority of respondents rated their ventures as moderately to highly successful and expressed ambitions to expand both domestically and globally. This optimism signals a **readiness to scale operations, enter new markets, and innovate product offerings**. However, this growth potential is tempered by obstacles such as limited **access to broader markets, weak logistical networks, inadequate branding strategies, and minimal exposure to formal marketing channels**. Addressing these gaps calls for **collaborative partnerships between government, industry associations, marketing professionals, and academic incubators to provide mentorship, branding support, and access to global trade platforms**. In conclusion, the MSME sector in Gujarat reflects a vibrant yet under-leveraged landscape. It is characterized by entrepreneurial enthusiasm and adaptive spirit, but constrained by systemic barriers. With improved financial models, clearer policy implementation, technology integration, and human capital investments, these enterprises can evolve into powerful engines of sustainable growth.

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