

STRATEGIC KNOWLEDGE MANAGEMENT, INNOVATION, AND ENTREPRENEURSHIP IN HEALTHCARE MSMEs

Rameshwar Mahajan

Research Scholar Ph. D in Management, Maharaja Agrasen University, Baddi, Himachal Pradesh

Pradeep Narwal

Professor (Dr.), Maharaja Agrasen University, School of Management, Department of Management,
Maharaja Agrasen University, Baddi, Himachal Pradesh

ABSTRACT

The Micro, Small and Medium Enterprises (MSMEs) in India are some of the most important parts of the country's growing industrial sector. In addition to offering job opportunities to millions of people throughout the country, it makes a sizeable contribution to India's Gross Domestic Product (GDP) and earnings from exports. The country's MSMEs have been instrumental in the country's socioeconomic development over the past half century and this sector has made significant contributions to the country's overall growth in terms of GDP, employment creation, and exports. The problem is that the product life cycle has been drastically compressed, and as a result, sustainability has become exceedingly challenging in almost all businesses across all industries.

In this regard, organizations strive toward structural and process innovations by creation, acquisition, and deployment of both tacit and explicit knowledge. In order for businesses to remain competitive and sustainable, entrepreneurs put a significant amount of effort into innovating their products and services. Knowledge Management and Innovation in MSMEs in healthcare industry in Punjab.

Keywords: Knowledge Management, Innovation Model, Micro, Small and Medium Enterprises, Punjab state healthcare industry.

INTRODUCTION

A project that has a smaller overall budget and is managed by a smaller group of employees is considered to be a small scale industry (SSI). As per Micro, Small and Medium Enterprises (MSME) Act, 2020, An SSI is a business establishment that does not exceed Rs. 10 Crore in terms of its financial commitment towards investment in plant and machinery and annual turnover up to Rs. 50 Crore. Industries continue to be an essential part of the economy of the state, with skills spanning the whole industrial value chain, from research and development to product design to marketing and sales. The government has placed a significant emphasis on the establishment and growth of small-scale industries in light of the liberalization of the industrial policy that has been the primary focus of the government's attention. Even so, a certain quantity of goods have been set aside solely for the manufacture of the micro- and small-scale industries (MSEs).

Smaller businesses typically rely heavily on human labor and invest a much lower percentage of their total revenue in physical capital. As there is a limited amount of capital but an extensive supply of labor, this type of unit is best suited for such economies. There are approximately 1.18 million individuals working in the manufacturing industry inside the state. The Indian state of Punjab has a long history of leading the country in terms of industrial growth and has recently established itself as one of the most business-friendly places in the world.

The significance of SSIs to employment, innovation, and economic vitality is widely acknowledged. SSIs are seen as a growth engine and are an integral component of a robust economy because of their importance in these areas. In many nations, the primary driver of the creation of new jobs has been the

expansion of small-scale businesses. As a result, the state of a country's social security and insurance sector has a significant impact on the state of the economy as a whole in that country (Lingesiya, 2012).

Definition of an SSI (Velsamy, 2012) was "A unit engaged in manufacturing, servicing, repairing, processing, and preservation of goods having investment in plant and machinery, at an original cost ranging from Rs 2.5 million to Rs 50 million." This definition applies to businesses that produce, service, repair, process, and preserve goods.

It has been observed that vast majority of small-scale industries have minimal capital concentration and a strong potential for the production of employment opportunities. According to the Fourth All India Census on Small Scale Industries, this sector is responsible for approximately 7 percent of India's Gross Domestic Product (GDP) and employs more than 28 million people. The current production value of the Indian SSI industry is nearly Rs.81, 600million. It is responsible for around 40% of the total industrial production and exports. It manufactures almost 8,000 distinct products, ranging from products with low levels of technological sophistication to those with the highest levels of technological sophistication.

Aim of study

To assess the implementation of Knowledge Management and Innovation strategies for strengthening of Micro, Small and Medium Enterprises in healthcare industry in Punjab.

REVIEW OF LITERATURE

The industrial strategy proposed by Ahluwalia et al. (2008) helps to create the conditions for growth in technologically advanced sectors such as information technology, biotechnology, pharmaceuticals, and health care, all of which have the potential to become a catalyst of change in Punjab's industrial sector. The anticipated industrial plan for the state of Punjab addresses the difficulties associated with the expansion of industrial production in the context of the expansion of the economy as a whole in the state.

Gupta (2009) provided the study in which forecasts have been done in terms of the number of units, employment, capital formation, and production of SSI sector of Punjab for the decade between 2009 and 2019-20. According to the findings of an examination of projected numbers, the fixed capital investment and production are both expected to see significant expansion throughout the course of the thirteen-year period beginning in 2007-08 and ending in 2019-20.

Studies by Ramanaiha (2011), Suresh and Shashidhar (2007), Pandey and Shivesh (2007), Chakrabarty (2006) and; Dende and Joshua (2012) attempted to analyze the conditions of SSIs, challenges, and future opportunities in India in the era of liberalization, privatization, and globalization. They found that a significant amount of emphasis was placed on self-employment, which may reduce dependence on the government. Using techniques such as the compound annual growth rate, correlation analysis, and a variety of other statistical approaches, a number of studies shed light on the significance of SSIs and their functions within the economy, and the influence that economic reforms had on growth patterns and levels of performance of SSIs. The findings showed that small and medium-sized enterprises (SMEs) had good performance in the preceding years; nonetheless, there is a need to concentrate on improving the development of human resources; appropriate technology; credit flows; and money for modernisation.

Quader and Abdullah (2009) Utilized Varimax normalization method in their investigation on the primary challenges that SMEs faced in Bangladesh. Findings of the study showed that primary challenges were a high lending rate, a small domestic market size, a necessity for collateral, a lack of technically qualified staff, and regulatory restraints from the government.

METHODOLOGY

The study is of descriptive type conducted from the secondary data available from various sources like governmental reports, research articles, books and other publications etc.

RESULTS

1. Status of Small scale Industries in Punjab

When it comes to manufacturing on a smaller scale, Punjab's industrial landscape has been held back by a lack of modernization. This is especially true of the state's smaller units. The industry that has the potential to generate a lot of new jobs is struggling to overcome a number of obstacles, such as insufficient funding, a lack of infrastructure and bureaucratic red tape. There were 1, 60,000 small-scale industrial units in operation during the 2017-2018 fiscal year, with an investment totaling 144.60 billion rupees. These units were responsible for providing employment for 1148100 people and had an output value of 862.40 billion rupees. (Statistical Abstract of Punjab, 2020-21).

SSIs registered, the amount of fixed investment, and the number of jobs created, Jalandhar district has a significant part in the province of Punjab. Jalandhar is responsible for 12.5% of the total number of SSIs units registered in the province of Punjab. Additionally, the city is responsible for 13.5% of the employment produced and 10.4% of the total fixed investment made by SSIs in the province of Punjab (District Industrial Centre, 2020-21).

The challenges encountered by small-scale businesses often prevent them from reaching their full potential. According to Kotty (2008), "The problem of sickness in SSIs is due to underutilisation of capacity, shortage of working capital, lack of demand, non-availability of raw material, technological obsolescence, and absence of organized market channels, constraint of infrastructural facilities, power, and deficient managerial and technical skills." According to the findings of the survey, the most significant factor contributing to the poor health of small businesses is a lack of ready access to timely credit.

2. Role of Knowledge Management and Innovation in MSMEs

Knowledge management (KM) is the process of converting an organization's informational and intellectual assets into something of value that will be retained by both the company's customers and its employees. Its goal is to encourage reusing of intellectual property, facilitate improved decision making and establish the environment necessary for innovation. People, processes, and technology are the components of knowledge management. These components enable the flow of knowledge to the appropriate individuals at the appropriate time, allowing them to take more effective action. The concentration on KM is an important topic that should be a priority for SMEs. In particular, the management of information assets may offer new tools to small businesses for surviving, growing, and preserving a sustainable advantage in the market (Omerzel and Antoncic, 2008).

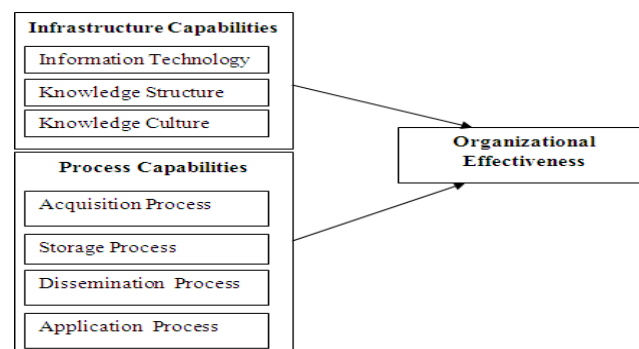
This path's evolution reveals two primary problems: (i) information, not land, machines, or capital, is the most important resource (Drucker, 1993). (ii) Organizations generally have a weak grasp on how to handle this resource effectively. There would be an improvement in the performance of the organization if more focus is placed on the generation, provision, sharing, application and protection of knowledge (Earle, 2001).

3. Steps of Knowledge Management

- The determination of requirements.

- The determination of the available knowledge resources.
- The acquiring, development, or removal of knowledge-related resources, processes, or environments.
- The retrieval, utilization, and dissemination of previously gained knowledge.
- The archiving of prior knowledge.

4. Implementation of Knowledge Management in MSMEs for Organizational Effectiveness



5. Definition and Management of Innovation

5.1. Definition

An innovation ecosystem is a loosely interconnected network of companies & other entities that coevolve technologies, knowledge, or skills. These companies work cooperatively & competitively to develop & deliver new products, services & sustainable business models.

It refers to innovations of product, business processes & organizational practices.

It is composed of people, processes & systems to support a concept from ideation to a scalable business.

5.1.1. A few definitions of innovation ecosystem

Cannibalization: It is reduction of sales of companies own product due to the introduction of its own similar new product.

Business actor: This is anything that interacts with or within the system. This can be a human, machine or computer program. Actor initiates activity within the system.

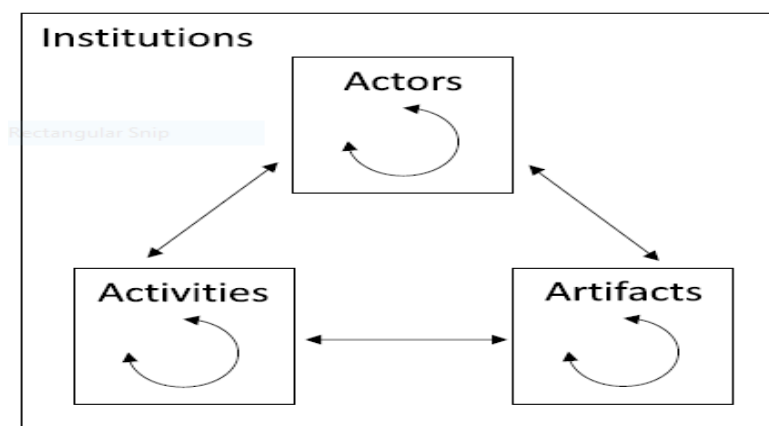


Figure. 1. Illustration of the innovation ecosystem showing interactions among Actors, Activities and Artifacts

Source: journal homepage: www.elsevier.com/locate/technovation

5.2. Innovation Management

The management of innovation processes, change of business process and the management of change, all come together to form innovation management. It can refer to product innovation as well as innovations in business processes and organizational practices.

5.3. Innovation Process

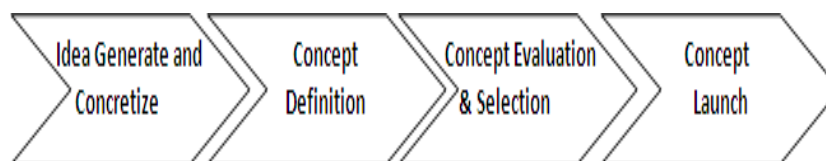


Figure 2. Steps of Innovation Process

The implementation of knowledge management and innovation in MSMEs is a hard undertaking for the business owners. Companies that are focused on acquiring a competitive advantage have the responsibility to implement an innovation process that includes the generation of an idea and its subsequent materialization. The definition of a concept and its evaluation is made until the best concept is developed and finally the implementation of a concept that is tailored to the requirements of the market. It is essential to take measures to ensure that India's MSMEs stay competitive both nationally and internationally. Innovation is a key factor in determining the degree to which small and medium-sized businesses are competitive. Developing economies like India are up against a severe obstacle due to the inadequate capacity of their governments to promote innovation support structures.

Contemporary ideas such as cluster development are frequently under-appreciated or entirely disregarded. Companies decide to apply new methods of knowledge management as those are interested in achieving a particular set of goals. Increased productivity, improved competitive position, decreased costs and greater ability to comply with regulatory requirements in a more efficient manner are examples of these benefits. The most important driver and rationale for MSMEs to have a competitive edge are the unique gains associated with each type of knowledge management and the innovation.

INNOVATION PROCESS

Make definition of a concept, develop multiple concepts, evaluate these & choose the best concept to meet requirements of the market & finally implement it.

- MSMEs to compete nationally & internationally should develop KM & innovation.
- Innovation determines the degree to which SMEs are competitive.
- Developing economies like India are standing up against inadequate capacity of their governments to promote innovation.
- Cluster development ideas are under-appreciated or entirely disregarded.
- Companies decide to apply new methods of KM to achieve their goals of: increased productivity, improved competitive position, decreased costs & greater ability to comply with regulatory requirements.

6. Healthcare in Punjab

6.2. Key highlights

- Punjab is home of some most prestigious medical and allied colleges and universities in the country. It has 3 Governmental Medical Colleges and Hospitals, 2 Universities of Health Sciences, 5 private Medical Colleges, Max Hospital, Fortis Hospital, Apollo Hospital and Ivy Hospital etc. There are many Distinct, Tehsil, Block level Hospitals, Primary Health Centres and Sub Centres. In addition to these allopathic institutions there are many Ayurveda and other AYUSH institutions.
- Guru Ravi Das Ayurved University & many Ayurved & AYUSH institutions.
- Exceptional facilities for research, an impressive educational foundation, first-rate infrastructure and qualified individuals in medical colleges and research institutions.
- Gives priority to tertiary health care services and encourage engagement of the commercial sector.
- Adjoining to Punjab there are Post graduate Institute of Medical Education and Research, Chandigarh and; Medicity and New Chandigarh that are key regions for development covering 258 acres.
- A good location for tourists interested in receiving medical treatment.
- Striving to achieve the best possible standards in patient care, clinical research, education and training.



Figure 3. Showing modern facilities for research, impressive educational foundation and first-rate infrastructure (Business First Portal Key Services}
Source: 1. www.investpunjab.gov.in 2. www.pbindustries.gov.in

6.3. Key initiatives

- Key facilities offered: National Facility for Microbial Culture Collection, Bioinformatics, National Facility for Bio-equivalence & Biotechnology, Outreach and IPR Support.
- Massive Skill Development plan to create infrastructure and start skill development courses in the 3 Govt. medical colleges (Amritsar, Patiala and Faridkot) and offering specialty courses with a total of 720 graduates annually.

6.4. Major Cluster Parks

- Medicity at New Chandigarh

6.5. Key Fiscal Incentives

6.4.1. Fiscal Incentives for MSME/Large units

- MSME - 100% Reimbursement of net SGST, Exemption in ED, SD
- MSME - 5% Interest Subsidy for Border and Kandi Area
- MSME - Assistance for Finance, Technology, Marketing & Exports
- Large - 75% of net SGST, 100% Exemption in ED, SD & 50% Property Tax
- Thrust Sector – 100% of net SGST, 100% Exemption in ED, SD & 50% Property Tax
- Early Bird Units in New Industrial Parks – 100% of net SGST up to 125% FCI

6.4.2. Fiscal Incentives for Anchor Unit

- 100% Reimbursement of net SGST for 15 years up to 200% of FCI
- 100% Exemption from CLU/EDC
- Employment Generation Incentive @Rs.30,000/employee/year
- CLU in Agriculture Zone for minimum land area of 50 Acres

6.6. Non-Fiscal Incentives

- Exemption from PAPRA and Grant of CLU for Anchor Projects
- 365 days operation without any weekly offs
- Exemption from Consent Management for Green Category Units

7. Issues identified in state of Punjab for Health Care Development

- The majority of healthcare facilities continue to operate using time-tested procedures, business owners, medical professionals and other employees that lack an understanding of how knowledge management and innovation may benefit MSMEs.
- A lack of available cash and knowledge, appropriate medical equipment, drugs for treatment and the ability to put knowledge management and innovation into practice.
- A barrier posed by a dearth of qualified workers in manufacturing, service and marketing sectors.
- A limited access to equity capital and inadequate financing that is not readily available in a timely manner.
- Inadequate facilities for the infrastructure like pharmaceuticals, surgical tools, ambulance service, etc.
- Lack of an appropriate system that enables the speedy resurrection of viable ill hospitals and speedy shutting down of non-viable entities.
- Market conditions on that put knowledge management and innovation into practice

STRATEGIES FOR IMPLEMENTATION OF KNOWLEDGE MANAGEMENT AND INNOVATION

- In order to better understand customer demand and developing trends, entrepreneurial awareness camps are going to be formed which will be open to both medical professionals and other staff members.
- Ensure that flow of credit is maintained by various government programs and market

processes operating through the various banking channels.

- Make certain that there are enough support mechanisms available for business people interested in establishing small hospitals.
- Shift to R&D focused innovation models of SMIs that are driven by market demand and customer needs.
- Within the existing context, investigate the institutions and initiatives that can contribute to the promotion of science, technology and innovation.

CONCLUSION

The MSMEs industry of Punjab plays an important part in the economy of Punjab. MSMEs will continue to play an important and crucial role in our economy, which are facing a significant challenge in the form of a huge development obstacles of unemployment and poverty. To remedy this situation, MSMEs in the healthcare sector in Punjab might be fortified through the application of knowledge management and innovation techniques. It is essential to engage in modernization and technological upgrading, as well as research and development of original approaches to capacity building and product marketing. In order to further stimulate innovation, a comprehensive and distinct innovation policy for the MSMEs be developed.

List of Abbreviations used in paper	
Abbreviation	Full form
CLU	Change of Land Use
DIC	District Industries Centre
E D	Industry Oriented Education
EDC	Electronic Data Capture
FCI	Food Corporation of India
GDP	Gross Domestic Product
IPR	Intellectual Property Rights
KM	Knowledge Management
MSE	Micro and Small Enterprise
MSME	Micro, Small and Medium Enterprise
PAPRA	Punjab Apartment and Property Regulation Act, 1995
PGIMER	Post graduate Institute of Medical Education & Research
P Tax	Property Tax
SD	Sales and Distribution
SGST	State Goods and Service Tax
SME	Small and Medium Enterprise
SSI	Small Scale Industry
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SGST	State Goods and Service Tax
SME	Small and Medium Enterprise
SSI	Small Scale Industry

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