



The Role Of Inclusive Business Models In Enhancing The Staffing Function Among MSME Workers In Ahmednagar District

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Abstract

Foundation of India's economy is made up of Micro, Small, and Medium-Sized Enterprises (MSMEs), which show a key role in manufacturing production, work formation, and monetary development. A sustainability of MSMEs in Ahmednagar district, where they are important to local livings, depend severely on the effectiveness of human resource management practices, specially staffing. With an importance on inspiring reasonable, diverse and real hiring and preservation policies amongst staffs, this study examines how inclusive business models might improve the staffing function inside MSMEs.

Business models that sustainably incorporate low-income groups as workers, suppliers, distributors, or consumers are known as inclusive business models. These models place a strong emphasis on shared value, equity, and participation—all of which are becoming more and more important in the current socioeconomic environment. The study looks into how these models are used in Ahmednagar's MSMEs and how much they affect hiring procedures, from hiring and selection to training, development, and retention.

The study uses a mixed-approaches methodology. Employees from a variety of industries in the Ahmednagar area, HR managers, and MSME owners are given standardized questionnaires to complete in order to gather quantitative data. In-depth interviews and case studies of particular MSMEs renowned for their creative staffing techniques provide qualitative insights. According to the report, inclusive business models enhance employee engagement, promote diversity in hiring, and lower turnover rates, all of which have a favourable impact on the staffing function. Additionally, they assist MSMEs in coordinating their HR strategy with long-term sustainability objectives and social responsibility.

The survey does, however, also highlight the main obstacles MSMEs face when implementing inclusive practices, including a lack of formal HR structures, a lack of resources, and reluctance to change. To overcome these obstacles, policy proposals are put forth, such as the necessity of government incentives, capacity-building initiatives, and closer ties between MSMEs and institutions that provide skill development.

The results highlight how inclusive business models may be used as strategic instruments to enhance worker quality and fortify the staffing function in MSMEs. MSMEs in Ahmednagar can improve their operational effectiveness and promote wider socioeconomic inclusion by embracing inclusivity. Thus, by providing useful insights for scholars, company executives, and policymakers, this study contributes to the

body of knowledge on MSME development and inclusive business strategies.

Keywords - Business Models, Staffing, MSME.

Introduction

Particularly in developing countries like India, Micro, Small, and Medium-Sized Enterprises (MSMEs) are widely recognized as engines of social and economic progress. They are necessary for the decentralization of economic activity, innovation, income distribution, and job creation. About 110 million people are employed in a range of enterprises in India's MSME sector, which contributes nearly 30% of the country's GDP. In addition to being sources of income, MSMEs are essential for community development and economic empowerment in semi-urban and rural regions such as Maharashtra's Ahmednagar district. But despite their significant contributions, MSMEs usually have trouble managing their human resources, particularly when it comes to hiring.

One of the main responsibilities of human resource management is staffing, which is the process of hiring, deploying, and keeping employees who can match the demands of the company. The personnel function of MSMEs is frequently informal, unstructured, and under-resourced, which results in ineffective hiring, selection, training, and retention practices. MSMEs often lack uniform rules, strategic personnel planning, and dedicated HR departments, in contrast to large enterprises. This leads to a misalignment between organizational demands and personnel capabilities, which ultimately impacts competitiveness, sustainability, and productivity. In light of this, the idea of inclusive business models shows up as a revolutionary strategy to deal with the MSME sector's workforce issues.

Incorporating low-income and marginalized people into a company's core activities as suppliers, consumers, workers, or producers in a way that is both profitable and socially beneficial is known as an inclusive business model. By balancing corporate objectives with social impact, these models seek to generate shared value. In the context of recruiting, inclusion means offering equal chances, valuing diversity, encouraging equitable hiring procedures, making investments in skill development, and guaranteeing respectable working conditions. Adopting inclusive business models has the ability to completely transform staffing for MSMEs in Ahmednagar, going beyond simple hiring to create a workforce that is empowered and sustainable.

An exceptional case for the investigation of inclusive staffing practices is the Ahmednagar district. The MSME landscape in the area is varied, encompassing everything from textile and service businesses to engineering units and agro-based sectors. The region's socioeconomic differences, mix of rural and urban people, and differing educational and skill levels reflect the larger potential and difficulties for inclusive development. The research aims to comprehend the efficacy of inclusive business models in resolving workforce gaps, advancing employment equity, and improving organizational outcomes by examining their application in the staffing function within this particular context.

This study is important because it aims to close the gap between social inclusion and corporate strategy in the MSME sector. There is comparatively little study on human resource practices, particularly staffing, and even less on how inclusive models can affect them, despite the fact that the majority of the work currently in publication concentrates on financial limitations, market access, or technology adoption in MSMEs. Therefore, by emphasizing the human component of firm development, this study adds to the growing conversation on inclusive and sustainable entrepreneurship.

Using inclusive business models to improve the staffing function presents a viable option for MSMEs to accomplish social and economic objectives. MSMEs may create skilled and resilient workforces and make significant contributions to social justice and regional development by promoting inclusive employment practices. In order to provide insights that are both intellectually stimulating and practically useful, this study attempts to identify the function and applicability of such models in the Ahmednagar local environment.

Concept of Business Models

A business model is a framework for strategy that describes how a company generates, provides, and obtains value. By outlining the fundamental reasoning behind a company's activities, income generation, customer interaction, and resource use, it acts as the cornerstone of the enterprise. A business model, to put it simply, describes how an organization functions, generates revenue, and maintains itself in a market that is highly competitive. There is a high significance attached to the business model concept, not only in practice but also in scientific research¹.

The value proposition, target clients, distribution channels, customer relationships, income streams, important resources, important activities, collaborations, and cost structures are all fundamental parts of a business model. These factors work together to influence how a company responds to market demands and organizes its internal operations to meet its objectives. An organization may maintain focus, distribute resources effectively, and develop continuously with the support of a clearly defined business model.

Given the resource limitations and market uncertainties that Micro, Small, and Medium-Sized Enterprises (MSMEs) frequently encounter, business models are especially important in their environment. MSMEs may scale their operations, overcome operational obstacles, and maintain their competitiveness with a clear and flexible business plan. MSMEs have historically depended on unstructured or experience-based business models, but as competition heats up and socioeconomic conditions shift, there is an increasing need to embrace inclusive and organized business models.

An inclusive business model is a variant of the conventional paradigm that combines economic aims with social goals. In addition to serving as beneficiaries, it aims to involve low-income or marginalized populations as active players in the corporate value chain, such as suppliers, distributors, employees, or customers. By ensuring that economic progress is dispersed more fairly, this strategy promotes both corporate profitability and societal development. These ideas are particularly pertinent to MSMEs that operate in socially stratified and varied areas like Ahmednagar, where inclusive strategies can strengthen community ties and close employment inequalities.

In addition to improving social responsibility, the use of inclusive business models spurs innovation in market access, supply chain management, and hiring practices. Better consumer loyalty, increased brand reputation, and increased worker stability are all possible outcomes for MSMEs. Therefore, the performance and sustainability of MSMEs in both urban and rural contexts can be greatly impacted by comprehending and putting into practice an appropriate business model, particularly one that is inclusive.

Concept of Staffing

A key component of human resource management is staffing, which is hiring, deploying, and keeping a skilled workforce in order to meet organizational goals. Manpower planning is the first step in this ongoing process, which also includes hiring, placing, training, developing, evaluating, and retaining staff. Making sure the appropriate person is in the right job at the right time is a strategic function of staffing. Staffing is the process of finding the right worker with appropriate qualifications or experience and recruiting them to fill a job position or role².

Manpower planning is usually the first step in the staffing process, during which businesses evaluate their present and future demands for human resources in light of their corporate objectives. The next step is recruitment, which entails drawing in a group of competent applicants from both internal and external sources. The next crucial stage is selection, in which the best applicants are identified by means of exams, interviews, and assessments. After being chosen, new hires are assisted in integrating into the company through placement and orientation. Training and development initiatives are carried out throughout time to improve staff members' abilities and output. Finally, in order to lower employee turnover and preserve a steady workforce, effective retention techniques are required.

Staffing at Micro, Small, and Medium-Sized Enterprises (MSMEs) is frequently unstructured and devoid of the structure that is conventional in bigger organizations. It's possible that many MSMEs in areas like Ahmednagar lack specialized HR departments and instead use ad hoc hiring practices or personal networks.

They might thus experience problems such a lack of employee engagement, high turnover, and talent mismatches. These issues restrict the company's ability to grow and impede production.

This is where inclusive hiring procedures can have a big impact. MSMEs can improve their staffing function by using inclusive business models that support equitable hiring, diversity, and opportunity. Engaging underrepresented populations, including women, people with disabilities, young people living in rural areas, and socially excluded communities, is the main goal of inclusive staffing. In addition to filling the manpower shortage, it builds a more dedicated and varied staff, which enhances company performance. Therefore, staffing is a deliberate process that directly affects an organization's efficiency, flexibility, and sustainability; it is not only about filling positions. Long-term success and socioeconomic growth for MSMEs depend on bolstering the staffing function through inclusive measures, especially in districts like Ahmednagar that are socially and economically diverse.

Objectives -

- To examine the current staffing practices adopted by MSMEs in Ahmednagar district.
- To explore the concept and implementation of inclusive business models in the MSME sector.
- To assess the impact of inclusive business models on improving the staffing function among MSMEs.
- To identify the challenges faced by MSMEs in adopting inclusive staffing practices.
- To provide recommendations for MSMEs and policymakers to enhance staffing functions through inclusive business strategies.

Research Methodology

The research is based on existing data which is available on the internet, magazines, journals and books.

Review of literature

1. The research was conducted by G. Thangmuanlal³ with the title named 'Inclusive growth and Lamka town: Identifying the inclusive growth proliferators within the MSMEs in Lamka town' (2017) The study concludes that Micro-Manufacturing in Lamka town has the highest growth rate, while Brickfield manufacturing and value-added services show strong employment potential. The PMEGP scheme faces a 98% failure rate. NGO-J presents positive prospects for local economic development. Overall MSME growth is low compared to other regions, necessitating better coordination and governance.
2. The research was conducted by Dubal Jahnvi Kishorbhai⁴ with the title 'Critical Evaluation of Financial Services provided for Marginal Entrepreneurs by Selected Banks in Gujarat'(2021). The study concludes that access to bank finance for entrepreneurs in Gujarat is significantly related to factors like the type and turnover of the enterprise, as well as its age and location. While the nature of management, gender, education, and experience of the entrepreneur do not show a significant relationship with finance availability. From the bankers' perspective, small ticket size, high transaction costs, generation of the entrepreneur, credit rating, and marketing efforts are significantly related to the availability of bank finance. The research suggests that focused efforts and guidance are needed to improve finance accessibility for entrepreneurs and the MSME sector
3. The research was conducted by Carlos Miguel Correia Hernandez Jerónimo⁵ with the title 'business models reinvention: from staffing to management consulting case (2019)' The study concludes that the staffing business model, despite high market demand, suffers from employee dissatisfaction, volatility, and limited value proposition, hindering asset development and facing easy imitation.

The research proposes a transformation to management consulting, a business model perceived as having sustainable competitive advantages and a similar means. Key findings reveal that profit per employee in management consulting is significantly higher (87% on average) compared to staffing. The conceptual model and derived recommendations aim to enhance competitive advantages for service companies.

4. The research was conducted by Ashu Katyal and Betsy Xaviour⁶ with the title 'A Study on MSMEs'- Role in Propelling Economic Development of India & a Discussion on current HR issues in MSMEs' in India' (2015) The paper says that One of the most important growth factors for businesses nowadays is human resources. The handling of HR-related matters is not formally structured. Multinational corporations that operate in India, on the other hand, have implemented established and structured HR systems. According to surveys, very few msme have a dedicated HR department, and in newly established small company units, the HR procedures are solely handled by the owners. Therefore, in addition to skill training, a process should be in place to give owners basic HR functional training so that they can manage HR functions and comprehend the significance of HR in businesses. Once small businesses start to focus on making money, they can establish a proper HR department to handle all HR-related tasks in a methodical manner.
5. The research was conducted by P. Eko Rashmi.C. Sattigeri⁷ with the title 'HUMAN RESOURCE ISSUES IN MSME'S' (2015). The study concludes that MSMEs are vital for economic growth and employment but face significant human resource challenges due to their size and resource constraints. Unlike larger organizations with dedicated HR teams, MSMEs rely on owners/managers for recruitment and development, making HR management a sensitive issue. They struggle with talent attraction and retention, often unable to compete with larger firms on salary and benefits. To ensure sustainability, MSMEs need to adopt innovative HR strategies, focusing on recruiting skilled individuals and adapting HR practices to their specific needs. Owner/managers must be prepared for HR changes during growth and refine their recruitment skills in periods of low growth. Ultimately, effective HR practices are crucial for the success and growth of MSMEs.
6. The research was conducted by B. Chandra Mohan Patnaik, Ipseeta Satpathy and Priti Rachayeeta⁸ with the title 'Skill Development in MSME – An Observation' (2015). The study concludes that skill development is crucial for the growth of the MSME sector in India, which is vital for economic development and employment generation. Despite a large potential workforce, a significant portion lacks formal vocational training, leading to a gap between education and employability. The government has implemented various initiatives like the NSDC and sector-specific training programs to address this skill deficit. However, the effectiveness of these programs hinges on proper implementation and monitoring to bridge the rising skill gap and ensure India harnesses its demographic dividend. Addressing the lack of skilled manpower is essential for the MSME sector to realize its full potential.
7. The research was conducted by Ratih Kusumastuti, Irma Rachmawati Maruf, Endang Fatmawati, Lindawati Kartika and Sitti Nur Alam⁸ with the title 'Increasing digital-based human resources competencies for profitable and sustainable MSME managers' (2015). The study concludes that increasing highly skilled human resources is crucial for MSME managers to achieve profitability and sustainability. Technology-based human resource management is identified as a primary driver for MSME success, necessitating professionally managed businesses with adequate resource qualifications. Key aspects for strengthening HR in MSMEs include selective recruitment, ensuring the workforce receives proper training, developing MSME operational standards, implementing a receivable remuneration system, and conducting regular performance and governance evaluations.

Ultimately, sustainable and profitable MSMEs operate with well-considered operational mechanisms and standard provisions, prioritizing proper study and development in their decisions.

Conclusion

Particularly in areas like Ahmednagar district, the Micro, Small, and Medium Enterprises (MSME) sector has enormous potential to spur economic growth and create jobs. However, the industry frequently faces challenges due to a lack of funding, unofficial organizations, and disorganized hiring procedures. In order to close the gap between organizational capabilities and labor demands, this study examined the vital role inclusive business models play in bolstering the staffing function inside MSMEs. According to the study, staffing results can be greatly improved by inclusive business strategies, which incorporate low-income and marginalized groups into corporate operations. These methods help create a more stable and competent workforce by encouraging diversity, equity, and equal opportunity in hiring and retaining employees. MSMEs are more likely to experience increased employee engagement, lower employee attrition, and a closer alignment with social and economic sustainability objectives when they implement inclusive practices.

Additionally, the study found that although some MSMEs in Ahmednagar have started implementing inclusive staffing practices, a number of obstacles, such as a lack of knowledge, inadequate training facilities, and a lack of legislative backing, are preventing widespread adoption. The sector can adopt inclusive models more widely if these obstacles are removed through focused government programs, capacity-building projects, and awareness campaigns. To sum up, inclusive business models are not only moral requirements but also useful instruments that can enable MSMEs to maximize their hiring practices. MSMEs in Ahmednagar can guarantee long-term viability, unlock new human resource potential, and support community development by putting an emphasis on inclusivity. The report highlights that in order to encourage inclusive hiring practices and change the MSME environment into one that is both financially sustainable and socially conscious, business owners, legislators, and support organizations must work together.

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