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Topic: A Study on Innovation Management practices in Indian SMEs

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Abstract

Keywords: Innovation; Innovation Management; SMEs (Small & Medium enterprises); MSMEs (Micro, Small & Medium enterprises); Constructs; Measures; Interpretive Structural Modelling (ISM)

Innovation is astonishingly a standout topic amongst most of the topic discussed by academicians and practitioners, most of the studies tend to report innovation as a new or improvement of a product, service, or technology. Not only India but the world also faces new challenges which require innovative solutions. Innovation is a key driver for growth and for better employment opportunities. It also helps in battling climate change globally and helps society in low-carbon emission which is urgent need of this time. The concentrated demographic growths are on the rise. Countries around the world increase investment more than ever to safeguard their future.

SMEs (Small & Medium Enterprises) perform a major role in most of the developing and developed economies because not only SMEs are large in number and variety, but they are involved in all sectors of the economy. SMEs, particularly in developing economies like India have been severely exposed to competition which is very intense because of the globalization. Globalization not only increases competition but also enhances the opportunities for the SMEs that shows the necessity for SMEs to advance innovation for their growth as well as for their existence. SMEs account for over 85 % of all Indian businesses and in several fields, SMEs help in new technologies development. In the

past researchers on SMEs, it was found that they can easily take advantage of new technologies and to respond quickly to the dynamic conditions of the market. It is already proven that SMEs have an important role in the success of the Indian economy. At present, SMEs contribute nearly 6.11% in GDP of the manufacturing and about 24.63% in the GDP of the Service sector. SMEs are generally established with the venture of large organization or government sector, so large organization and government sector should help in building capacity of SMEs.

In this study, first, there is an understanding of the concept and paradigm shift of Innovation. A systematic review is done which has assessed progress in the literature of innovation management in the Indian context and after that ten constructs are identified which are the reasons for innovation management in SMEs. Then in this study, identification of measures that help in measuring the constructs of innovation management is done. After that, development of hypothesis to find out which measure significantly affect the construct is done. Then, a conceptual model using ISM is also developed and based on this conceptual model contextual relationship hypothesis are developed. This conceptual model is then validated using measurement model (EFA & CFA) and path model which is performed on SPSS and AMOS. So, as a result, a framework is developed which is validated for innovation management in SMEs in the Indian context and helps in managing innovation in Indian SMEs.