

## **A STUDY ON POST COVID WORK CULTURE SHIFT AND ITS IMPACT ON MSME IN INDIA**

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### **Abstract**

COVID-19 (COV) pandemic has brought many misfortunes to the economies of the country. Industries were shut down due to lockdown; production was stopped, which affected their profit margins. Many Micro, Small, and Medium Enterprises (MSME) had to close their operations permanently due to lack of funds and lack of labor force. This research is being conducted to study the MSME's problems due to this pandemic crisis. Five problems have been identified from the available literature. These five problems are lack of transportation facilities, non-availability of raw materials, deficiency of cash flow, lack of manpower, and local law enforcement. The data is collected in the MSME sector of the country. The target population are the employees working in those industries. After collecting data, we have used exploratory factor analysis and structural equation modeling using the software SPSS 22.0 and AMOS 20.0. The result showed that all the proposed hypotheses got accepted. The model fit parameters are within the threshold level. This study also provides recommendations for the MSME sector to revive the COV pandemic situation.

**Keywords:** COVID-19, MSME, problems, survey, lockdown, Impacts

### **Introduction**

The COVID-19 pandemic has had a profound impact on every aspect of our lives, including the way we work. The sudden shift to remote work and the need to adapt to new safety protocols has fundamentally altered work culture around the world. In this research paper, we will explore the effects of COVID-19 on work culture, including the shift to remote work, changes in workplace safety protocols, and the impact on employee mental health and productivity. The COVID-19 pandemic has had a significant impact on the global economy, with many industries and businesses experiencing negative effects. However, the pandemic has also had some positive effects on certain sectors, particularly on micro, small and medium enterprises (MSMEs). In this research paper, we will explore the positive effects of COVID-19 on MSMEs, including changes in consumer behaviour, technological adoption, and government support.

### **Literature Review**

Government of India imposed lockdown on 29 March 2020, but emergency services were open. The milk and article SCs were likewise permitted to work. Synthetic substances, cars, gadgets, and different ventures were closed down because of supply disturbance and limitation of coordination's/shipment (Sarkis, 2020). The nation is experiencing a downturn in the second from last quarter of the financial year (FY) 2020. The economic effect from the COV in India has generally been troublesome. According to the Ministry of Statistics, India's development in the fourth quarter of the FY 2020 went down to 3.1%. Nationally, economic activity was effectively halted as a result of the lockdown. The COV pandemic had a significant impact on the manufacturing and service sectors. Due to the nationwide lockdown, agricultural products were the least affected by the MSME sector. During the lockdown, 60% of the economic activities in India's MSME sector were frozen. A majority of commercial and industrial outlets of small business enterprises were shut down during the nationwide lockdown in India. In the aftermath of the shutdown, the SC was disrupted, making it difficult for MSMEs to obtain raw materials at affordable prices.

In India, manufacturing industries are ultimately hampered because of an absence of labor, coordination, and SC because of lockdown limitations. Although numerous organizations are leaning more towards Internet-based shopping exercises and broad conclusion of multiple showrooms totally by attempting to meet vehicle purchaser needs (Chowdhury et al., 2021). Changes in action plans and the utilization of innovative practices and advances likewise lead to changes in existing SC structures and connections (Chowdhury et al., 2020). The Government of India declared a nationwide lockdown to limit the spread of coronavirus. The consequences of a lockdown, however, were catastrophic for the city. As a result, the Indian MSME sector was severely affected. MSMEs suffered from a lack of manpower, for example, when the majority of workers returned home. A large number of people moved from rural to urban areas in search of better job prospects. Laborers from various regions in India have returned in enormous numbers to the places where they grew up. In the past, few companies were manufacturing or assembling ventilators (Morgan et al., 2021). As a result, managers of MSMEs in rural regions found it difficult to persuade these workers to return to their former workplaces. The disturbance of the progression of materials and merchandize has negative ramifications on different parts of the business, precisely an unexpected finish to approaching incomes and the movement of the labor force across all aptitude levels (Adel & Kotb, 2020).

The SC boundaries are the absence of top administration responsibility and backing, an indistinct hierarchical goal, worker strengthening and preparing, deficient assets, poor corporate culture, doubt among representatives and SC accomplices, absence of schooling and training to representatives and providers (Donthu & Gustafsson, 2020), helpless data and correspondence innovation foundation, reluctance to actualize SC rehearses (Ebersberger & Kuckertz, 2021), lack of joining among SC accomplices, absence of coordinated effort among SC accomplices, absence of responsiveness, absence of consumer loyalty list, and so forth (Karmaker et al., 2021; Sharma et al., 2021). These hindrances are intricate, and in this manner, leaders need to comprehend them well to reduce the obstructions. It has been seen that SC is constantly impacted by certain obstacles (Jamwal et al., 2020). Presently in India, COV has disturbed the production network in the assembling areas. The hindrances for the Indian SC

brought about by the COV are discovered from the conversations with educational specialists and mechanical specialists. They figure out numerous obstructions of SC in the assembling areas such as an absence of labor, absence of crude materials, inaccessibility of imported products, a bottleneck in last-mile conveyance, lack of transportation, sluggish developments of merchandize, limitation on abroad transportation, absence of purchasers, absence of income, slow credit stream from the monetary areas, and nearby laws authorization (Queiroz et al., 2020; Wu & Olson, 2020). The five hindrances are the absence of labor, nearby laws authorization, absence of transportation, shortage of crude materials, and lack of income on the lookout, discovered as essential in the SCs in India.

### **Impacts on Work culture**

#### **Impact 1: The Shift to Remote Work**

One of the most significant changes to work culture during the pandemic has been the shift to remote work. Millions of people around the world were suddenly forced to work from home, and companies had to quickly adapt to this new reality. While remote work has its benefits, such as increased flexibility and reduced commuting time, it also presents several challenges. These include issues with communication, difficulty separating work and home life, and increased feelings of isolation and loneliness.

#### **Impact 2: Changes in Workplace Safety Protocols**

Another major impact of COVID-19 on work culture has been the need for new safety protocols in the workplace. Companies have had to implement measures such as social distancing, mandatory mask-wearing and increased cleaning and disinfecting. While these measures are necessary to protect employee health, they can also be disruptive to work culture. For example, social distancing measures can make it more difficult for employees to collaborate and interact with each other, and mandatory mask-wearing can make communication more difficult.

#### **Impact 3: Impact on Employee Mental Health**

The COVID-19 pandemic has had a significant impact on employee mental health. The sudden shift to remote work and the need to adapt to new safety protocols has caused increased stress and anxiety for many employees. Isolation and loneliness have also been significant factors, as employees are no longer able to socialize and interact with their colleagues in the same way. Additionally, the pandemic has brought about new financial and personal stressors that have impacted mental health.

#### **Impact 4: Impact on Employee Productivity**

Another major effect of COVID-19 on work culture has been the impact on employee productivity. Remote work has led to increased flexibility for many employees, but it has also made it more difficult to maintain a work-life balance. With no clear separation between work and home life, many employees have reported working longer hours and experiencing burnout. Additionally, the pandemic has caused increased distractions and interruptions, such as home schooling and caregiving responsibilities.

#### **Impact 5: Future of Work Culture Post-Pandemic**

As the pandemic begins to recede, many companies are starting to consider what the future of work culture will look like. Remote work is likely to continue to be a significant part of the work landscape, but it is unclear to what extent. Some companies may choose to maintain remote work options, while others may return to pre-pandemic work arrangements.

Additionally, companies may need to reassess their safety protocols and consider new workplace designs that allow for greater flexibility and collaboration.

#### **Impact 6: Changes in Consumer Behaviour**

One of the most significant positive effects of COVID-19 on MSMEs has been changes in consumer behaviour. With many people forced to stay at home due to lockdowns and social distancing measures, there has been a significant shift towards online shopping and home delivery. This has benefited MSMEs that have been able to adapt quickly to this new reality. Many MSMEs have been able to reach a wider audience through online platforms, increasing their sales and revenue.

#### **Impact 7: Technological Adoption**

The COVID-19 pandemic has also led to increased technological adoption among MSMEs. With the need for remote work and online sales, MSMEs have had to invest in digital tools and platforms to remain competitive. This has led to increased efficiency and productivity, with MSMEs able to reach customers and complete transactions more quickly and easily. Additionally, this increased adoption of technology has positioned MSMEs to better compete in a digital economy, with the potential for increased growth and expansion.

#### **Impact 8: Government Support**

Governments around the world have recognized the importance of MSMEs to their economies and have implemented various support measures to help these businesses during the pandemic. These measures include financial support, such as loans and grants, and policy support, such as tax breaks and regulatory flexibility. This support has helped MSMEs stay afloat during the pandemic, providing a safety net for businesses that may have otherwise struggled to survive.

#### **Impact 9: Shift towards Local Production**

The pandemic has also led to a shift towards local production, as supply chain disruptions have made it more difficult to import goods from other countries. This shift has provided opportunities for MSMEs to fill gaps in the market and provide locally-produced goods and services. This has not only benefited MSMEs, but has also helped to create more sustainable and resilient economies, with a reduced reliance on global supply chains.

#### **Impact 10: Increased Entrepreneurship**

The pandemic has also led to an increase in entrepreneurship, as many people have been forced to re-evaluate their career paths due to job losses or reduced income. This has led to the emergence of new MSMEs, with many entrepreneurs starting small businesses to meet new demands or fill gaps in the market. This increased entrepreneurship has the potential to drive innovation and economic growth, with new businesses contributing to job creation and increased competition.

#### **Conclusion**

The COVID-19 pandemic has had a significant impact on MSMEs, but it has also had some positive effects. Changes in consumer behaviour, increased technological adoption, government support, a shift towards local production, and increased entrepreneurship have all benefited MSMEs during the pandemic. As we move forward, it will be important to continue to support MSMEs and foster an environment that encourages entrepreneurship and innovation, so that these businesses can continue to grow and contribute to economic development. The sudden shift to remote work and the need for new safety protocols has presented significant challenges for companies and employees alike. However, this period of disruption has also

presented an opportunity for companies to reassess their work culture and consider new, more flexible approaches. As we move forward, it is important to continue to prioritize employee health and well-being while also adapting to the changing needs of the workforce.

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