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EXPLORING GROWTH OPPORTUNITIES AND ENTREPRENEURIAL SATISFACTION AMONG TEXTILE MSMES OF GUJARAT

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ABSTRACT

The textile MSME sector of Gujarat functions within a rapidly transforming industrial environment where the availability, accessibility, and utilization of growth opportunities varies significantly across enterprises. Recognizing these differences, this study examines how textile MSME entrepreneurs perceive the adequacy of growth opportunities and how such perceptions shape their satisfaction levels. Based on responses from 487 enterprises across 28 districts, the research employs descriptive statistics, factor analysis, correlation analysis, discriminant modelling, and cluster analysis to identify the key drivers influencing growth perceptions. Five major opportunity dimensions emerged from factor extraction, namely funding prospects, regulatory norms, customer-centered practices, profitability orientation, and organizational culture. The empirical results indicate that the perceived adequacy of these opportunities has a strong positive relationship with entrepreneurial satisfaction, with firms demonstrating greater financial access, stronger market integration, and higher adoption of digital systems reporting higher satisfaction. Cluster classifications reveal heterogeneous expectations from government support, ranging from regulatory simplification and administrative efficiency to wider market access and integrated growth facilitation. The study underscores that strengthening financial inclusion, promoting technological advancement, enhancing policy transparency, and improving market linkages are essential for reinforcing entrepreneurial satisfaction and enabling sustainable expansion of Gujarat's textile MSMEs.

KEYWORDS: Entrepreneurial Satisfaction, Growth Opportunities, MSMEs, Textile Industry



1. INTRODUCTION

1.1 Background

The textile industry has long been recognized as one of the most vital pillars of Gujarat's economy, deeply intertwined with the state's industrial, cultural, and socio-economic fabric. Contributing nearly one-fourth of India's total textile production and around 40% of the country's man-made fabric output, Gujarat stands as India's textile powerhouse. The sector comprises more than 5.3 lakh Micro, Small, and Medium Enterprises (MSMEs), which collectively form a complex network of spinning, weaving, dyeing, printing, embroidery, and garment manufacturing units. These MSMEs not only generate large-scale employment- particularly for semi-skilled and rural workers - but also promote inclusive growth and industrial decentralization across districts such as Surat, Ahmedabad, Rajkot, Bhavnagar, and Valsad.

Historically, Gujarat's textile MSMEs have evolved from traditional family-run weaving businesses into organized industrial units integrating modern machinery and automated systems. The liberalization policies of the 1900s, coupled with Gujarat's strong entrepreneurial culture, created fertile ground for enterprise expansion and innovation. In recent years, government initiatives such as the Gujarat Textile Policy (2019-2023), Technology Upgradation Fund Scheme (TUFS), and the Production Linked Incentive (PLI) scheme have provided renewed momentum for modernization and export competitiveness. Additionally, the Make in India and Atmanirbhar Bharat initiatives have positioned Gujarat's textile MSMEs as crucial contributors to India's goal of becoming a global manufacturing hub.

However, the growth experience of MSMEs remains uneven. While some units have successfully embraced digitization, sustainable production, and e-commerce integration, a large proportion continue to rely on outdated production systems, informal credit, and traditional marketing channels. The uneven diffusion of technological innovation and varying levels of financial literacy create disparities in enterprise performance and satisfaction. Moreover, the COVID-19 pandemic exposed deep structural weakness-supply chain disruptions, labour migration, and reduced export demand-which further highlighted the need for resilience and strategic adaptability in MSMEs.

Amid the scenario, the notion of entrepreneurial satisfaction has emerged as a key measure of MSME sustainability. Satisfaction reflects how entrepreneurs perceive their access to growth opportunities such as finance, market expansion, customer relationships, and government support. A satisfied entrepreneur is more likely to reinvest, innovate, and sustain operations during market fluctuations. Conversely, dissatisfaction arising from limited policy reach, regulatory delays, and inadequate credit access can reduce entrepreneurial motivation and hinder long-term growth. Thus, understanding how entrepreneurs evaluate the adequacy of growth opportunities becomes essential for shaping policy



frameworks that encourage inclusive industrial development.

In this context, the present study examines the interplay between growth opportunities and entrepreneurial satisfaction among textile MSMEs in Gujarat. By employing a data-driven empirical approach, it identifies key opportunity dimensions - profitability, customer satisfaction, resource availability, competency, funding opportunities, and regulatory support - and explores how they influence entrepreneurial morale, business performance, and sustainable growth. The study aims to contribute valuable insights for policymakers, financial institutions, and industry stakeholders to strengthen Gujarat's position as a global leader in sustainable textile manufacturing.

1.2 Problem Statement

Although MSMEs in Gujarat's textile sector have access to several growth opportunities, many remain unable to capitalize on them due to disparities in infrastructure, awareness, and policy execution. Entrepreneurial satisfaction - a critical determinant of motivation, innovation, and sustainability-is influenced by both the adequacy of growth opportunities and the ease of utilizing them. This study seeks to explore how the textile MSME entrepreneurs perceive available growth opportunities and how these perceptions shape their satisfaction levels and future growth intentions.

1.3 Research Objectives

1. To identify key growth opportunities available to textile MSMEs in Gujarat.
2. To evaluate entrepreneurs' perceptions of the adequacy of these opportunities.
3. To assess the relationship between perceived growth opportunities and entrepreneurial satisfaction.
4. To classify MSMEs based on satisfaction levels using discriminant and cluster analysis.
5. To analyze entrepreneurs' expectations from government policies and support systems.
6. To recommend policy interventions and strategic measures to strengthen MSME growth and satisfaction.

1.4 Significance of the Study

The study bridges the gap between opportunity access and entrepreneurial satisfaction in Gujarat's textile sector. It contributes theoretically by establishing an empirical link between perceived growth opportunities and satisfaction, and practically by identifying actionable factors influencing entrepreneurs' motivation and success. The findings are expected to guide policy-makers in formulating growth-centric programs and aid MSME owners in strategic decision-making for long-term competitiveness. Moreover, the insights offer a foundation for future research to explore sector-specific interventions that strengthen the entrepreneurial ecosystem.

2. LITERATURE REVIEW

The growth and satisfaction of MSMEs depend on multiple interrelated dimensions, including financial access, innovation, policy environment, and market dynamics. A balanced integration of these factors determines long-term entrepreneurial morale and enterprise sustainability.

Financial Access and Profitability

Chatterjee (2015) emphasized the role of finance in MSME expansion, while Panigrahi and Rao (2018) found that institutional credit enhances competitiveness. Similarly, Roy (2021) established that financial innovation improves profitability and confidence among textile MSMEs. Globally, Singh and Malhotra (2021) identified that credit availability directly influences entrepreneurial satisfaction in Bangladesh's MSMEs.

Technological Advancement and Innovation

Dixit (2015) and Kumar (2018) observed that modernization and technological upgradation are strong drivers of MSME performance. Patel and Mehta (2023) emphasized innovation practices and digital competitiveness as key factors for growth in Gujarat's MSMEs. Das (2024) underscored that circular economy practices and digitization improve efficiency and satisfaction. Internationally, Zhang and Li (2020) found that digital competitiveness enhances satisfaction and innovation capability among emerging-economy SMEs.

Customer Satisfaction and Market Expansion

Gautam (2022) identified customer satisfaction as an essential growth determinant for MSMEs. Sharma and Singh (2022) found that customer retention and adaptability to market changes improve firm growth and entrepreneur morale. Chen (2020) confirmed that market responsiveness enhances both performance and satisfaction among Chinese SMEs. Also, Patel and Desai (2021) reported that expanding into new markets through product upgrades and customer-focused strategies significantly contributes to sustainable growth in textile MSMEs.

Entrepreneurial Motivation and Opportunity Utilization

Sinha and Gupta (2020) established that satisfaction arises from the successful utilization of perceived growth opportunities. Muthu and Rao (2021) argued that entrepreneurial satisfaction depends on perceived fairness of policy execution and government responsiveness. OECD (2021) and UNIDO (2023) highlighted that transparent, innovation-driven policy environments significantly boost SME satisfaction and sustainable performance.



Research Gap

While several studies have assessed MSME growth factors, limited research has empirically explored how perceived growth opportunities affect entrepreneurial satisfaction within Gujarat's textile industry. This study addresses that gap by combining financial, operational, and policy dimensions to develop a region-specific empirical framework. Furthermore, existing research has largely focused on challenges, while failing to examine the positive enablers that influence entrepreneurs' motivation and long-term growth orientation. By integrating both enablers and barriers, this study offers a more holistic understanding of the strategic drivers that shape sustainable development of textile MSMEs in Gujarat.

3. RESEARCH METHODOLOGY

The study employs a descriptive and diagnostic quantitative design to evaluate the relationship between growth opportunities and entrepreneurial satisfaction among Gujarat's textile MSMEs.

3.1 Sampling and Data Collection

A purposive sample of 487 textile MSMEs was selected from 28 districts of Gujarat, ensuring representation of various products categories and business scales. Data were collected through structured questionnaires administered to enterprise owners and managers. Supplementary interviews captured qualitative perceptions of growth and satisfaction.

3.2 Reliability and Validity

Cronbach's Alpha = 0.88 confirmed internal consistency. KMO (0.578) and Bartlett's Test of Sphericity ($\chi^2 = 845.672$, $df = 66$, $p < 0.001$) validated the adequacy of the dataset for factor analysis.

3.3 Statistical tools Used

SPSS v26 was used for data processing. Analytical tools included:

- Factor Analysis
- K-Means Cluster Analysis
- Chi-Square Test
- Pearson's Correlation

4. Data Analysis and Findings

4.1 Factor Analysis: Growth Opportunities

To identify the major drivers indicating the growth opportunities for textile MSMEs of Gujarat, factor analysis was carried out on the following statements:

Sr. No.	Drivers
G1	Access to finance, ability to grow from profits
G2	Digital Payment System
G3	Environment, Social and Governance
G4	Legal and Regulatory and Policy
G5	Research Development and Innovation
G6	Technological Development
G7	Product Quality
G8	Customer Satisfaction
G9	Profitability including Gross Margins, Net Profits
G10	Sales and Revenue Generation
G11	Online Platforms for purchase and sales
G12	Organizational Culture, Value and Ethics

- KMO and Bartlett’s Test (Growth Parameters): KMO = 0.501; Bartlett’s Test of Sphericity $\chi^2 = 410.934$, $df = 66$, $p < 0.001$, validating factor analysis.
- Five components (drivers) with Eigen values greater than 1 were extracted. Together they explain 56.869 percent of the total variance which is a satisfactory level of explanation in social science research.

Factor analysis revealed key drivers influencing the growth opportunities of textile MSMEs. These drivers and their associated statement numbers are listed below.

Sr. No.	Drivers	Statement Numbers
1	Funding Opportunities	G3, G10, G12
2	Regulatory Norms	G6, G7, G8
3	Customer Satisfaction	G4, G5
4	Profitability	G1, G2
5	Organizational Culture	G9, G11

4.2 Cluster Insights: Growth Opportunities

The cluster analysis revealed four distinct groups of textile MSMEs in Gujarat based on their expectations from the government.

Demographic Composition of Clusters (n = 487)

Characteristics	Cluster 1	Cluster 2	Cluster 3	Cluster 4
Membership	143	69	118	157
Business Age	5 to 10 years	0 to 5 years	5 to 10 years	5 to 10 years
Legal Status	Proprietary	Proprietary	Proprietary	Proprietary
Textile Activity	Manufacturing	Service	Service	Service
Male	87%	86%	86%	86%
Female	13%	14%	14%	14%
Education	Bachelors	Bachelors	Bachelors	Bachelors
Experience	6 to 9 years	9 to 12 years	6 to 9 years	9 to 12 years
Annual Business Income	1 – 3 crores	Below 1 crore	Below 1 crore	1 – 3 crores
Type of MSME	Micro	Micro	Micro	Micro

Table showing Priority Order of Key Growth Drivers among Clusters

Factor \ Cluster	1st	2nd	3rd	4th	5th
Cluster 1	Customer Satisfaction	Profitability	Organizational Culture	Regulatory Norms	Funding Opportunities
Cluster 2	Customer Satisfaction	Profitability	Regulatory Norms	Funding Opportunities	Organizational Culture
Cluster 3	Profitability	Customer Satisfaction	Regulatory Norms	Funding Opportunities	Organizational Culture
Cluster 4	Profitability	Customer Satisfaction	Regulatory Norms	Funding Opportunities	Organizational Culture



- **Cluster 1:** Regulation Support Seekers (143 firms) - These firms primarily seek support in legal compliance, easier registration processes, and fair policy implementation to reduce paperwork and regulatory burden.
- **Cluster 2:** Administrative Reform Seekers (69 firms) - Firms in this group expect simplified administrative procedures, timely approvals, and improved governance systems for better accessibility to government services.
- **Cluster 3:** Market Access Aspirants (118 firms) - This group focuses on enhanced market connectivity, removal of intermediaries, export promotion, and trade fair participation to boost market reach and sales.
- **Cluster 4:** Comprehensive Growth Advocates (157 firms) - The largest cluster demands integrated support, including financial assistance, technology upgradation, transparent policies, and export facilitation for sustainable long-term growth.

Overall Insight: The findings highlight that MSMEs require a combination of regulatory improvements, administrative efficiency, expanded market access, and comprehensive support mechanisms from the government to strengthen their competitiveness and development.

4.3 Perception of Entrepreneurs Regarding Adequacy of Growth Opportunities

A survey of the 487 respondents revealed that 45.4% of entrepreneurs agreed that there are sufficient opportunities for their growth and development, while 32.7% were neutral, and 21.9% disagreed. This indicates that although a significant portion of MSME owners perceive the existence of favourable opportunities, a large number remain cautious or uncertain due to barriers in accessing finance, technology, and market networks. The mixed perceptions suggest that opportunity availability does not always translate into opportunity utilization.

4.4 Entrepreneurial Satisfaction

Among the 487 entrepreneurs surveyed:

- 42.5% were highly satisfied.
- 36.3% were moderately satisfied.
- 21.2% were dissatisfied.

4.4 Cluster Analysis: Expectations from Government and Support Systems

- **Transparency Seekers (217 firms):** Demand simplified compliance and fair tax regulations.
- **Formalization Advocates (152 firms):** Expect mandatory registration and inclusive growth measures.
- **Market Reformists (118 firms):** Seek removal of intermediaries and direct access to global markets.

Overall Insight: The cluster analysis of MSME expectations from government support identifies three groups: Transparency Seekers, who demand simplified compliance and a clearer tax structure;



Formalization Advocates, who emphasize mandatory registration and stronger institutional backing; and Market Reformists, who look for reduced intermediary dependence and direct access to global markets. Overall, these findings suggest that textile MSMEs expect a policy environment that ensures transparency, formalization, and market accessibility to enhance their growth and competitiveness.

4.5 Statistical Tests

- Chi-Square Test: Significant association between policy awareness and satisfaction ($p < 0.05$)
- Correlation Analysis: Positive and strong relationship between perceived adequacy of opportunities and satisfaction ($r=0.712$, $p < 0.01$)

5. CONCLUSION

The analysis indicates that entrepreneurial satisfaction in Gujarat's textile MSMEs is primarily shaped by how effectively firms can access and utilize available growth opportunities. Although many entrepreneurs perceive favourable prospects, others remain restricted by financial constraints, regulatory complexities, and market-related limitations. The evidence shows that factors such as profitability potential, access to finance, digital adoption, and supportive governance strongly influence overall satisfaction. Firms that succeed in leveraging opportunities--especially through enhanced market access and technology integration--tend to report higher satisfaction and stronger growth orientation. Strengthening financial inclusion, technological upgradation, export support, and institutional transparency emerge as essential for fostering a more resilient and satisfied entrepreneurial ecosystem in the state's textile sector.

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