

Sustainable Business Practices in Small and Medium Enterprises: A Case Study of Almora District in Uttarakhand

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Abstract

Sustainable business practices is a broad concept that balances present needs with those of future generations. It emphasizes is laid on the efficient and equitable use of resources so that the future generation does not have to remain deprived of resources. Therefore today sustainable business practice has become an important aspect of modern business practices in every sector, especially for small and medium enterprises. The proposed study throws an insight into the sustainable practices in small and medium enterprises in Almora district of Uttarakhand. In this study, primary and secondary data have been collected from small and medium scale industries through questionnaire and interview. The main objective of the study is to evaluate sustainable business practices adopted by small and medium enterprises and to identify the main challenges and opportunities in adopting sustainable business practices in Almora district. The study concluded that sustainable business practices are being promoted by small and medium enterprises in the study area. They are also facing some challenges in adopting sustainable business practices for which some suggestions have also been given after analyzing the study.

Keyword Sustainable Business, Small and Medium Enterprises, Development, Environment.

1. Introduction

Sustainable business practices are a long-term concept that incorporates environmental, social and economic considerations into their operations and decision-making processes those who use resources in such a way that it has a positive impact on society and the environment. It tries to reduce the negative impacts of industries on the environment. Sustainable business practices involves production with ecological efficiency. Ecological efficiency means producing more with fewer resources and less damage to the environment. So that those resources can be used for a long time without any damage and the coming generation can also have access to them. Ecological perspective encourages businesses to be more competitive, more innovative, and more environmentally responsible. Good management practices include waste reduction and making your business environmentally friendly in which the manufacturing process is changed to represent sustainable business practices concerns. **Davidson, O. R. (2002).**

In present times, sustainable business practices are becoming more popular to ensure industrial sustainability. Social pressure has further accelerated this pace by demanding sustainable business practices. To follow globalization and the Sustainable Development Goals set by the United Nations For this reason, industrial organizations are also abandoning business and adopting sustainable business practices. **Karuppiah, K& Ali, S. M. (2023).**

The aim of sustainable business practice is to fulfil sustainable goals. For this, it emphasizes on stakeholder management innovation and long term perspectives. Along with this, it also contributes in reducing the negative impact on the environment and society. **Nosratabadi (2019)**.

In India, where even today most of the population lives in rural areas, small and medium enterprises based on agriculture play a major role in providing employment. As per the data of 2023-24, there are 5.93 crore jobs in India today which is helpful in providing employment to more than 25 crore people. Small and medium enterprises also contribute significantly to exports. In the financial year 2023-24, the products of small and medium enterprises contributed 45.73 percent to the total exports. Which shows that with the help of micro and small enterprises the country is establishing itself as a manufacturing hub. (**Census 2011**).

The government is also strengthening this sector to increase innovation and competition in small and medium enterprises. The government has proposed R.s 23,168.15 crore to strengthen the small and medium sector in the financial year 2024-25. The contribution of this sector in the country's gross domestic product (GDP) is also continuously increasing. While its contribution was 27.3 percent in 2020-21, it increased to 30.1 percent in 2022-23. Which shows that its share in the country's domestic production is continuously increasing. **Press information Bureau (2025, February 04)**.

Uttarakhand is a culturally rich state where various customs, cuisines, arts and crafts are found in abundance. Agriculture, food products and handicrafts of Uttarakhand are famous not only in India but all over the world recently, 27 products have been awarded the G-Tag in the categories of agricultural produce, handicrafts and manufactured goods. This beautiful state located in the north of India is known for its diverse mountainous geographical topography. The state of Uttarakhand was created in the year 2000 by separating it from the state of Uttar Pradesh. The state of Uttarakhand has 85 percent mountains and 65 percent forests rich in biodiversity. Uttarakhand has created its unique identity in a short span of time by adopting its administrative efficiency and development. Due to hilly terrain and high transport cost, there are many obstacles for big industries here. Therefore, this can be an ideal situation for small and medium scale enterprises development and employment.

In Uttarakhand, special focus is given to handicrafts, tourism, and local artistic works in the hilly areas. Which came here and is the main source of employment. Therefore, encouraging entrepreneurship in hilly areas is essential to achieve environmental and socio-economic sustainability. **Kandwal, & Juyal (2024)**.

2. Objective

The present study proposed following objective:

1. To evaluate the sustainable business practices adopted by small and medium enterprises (SMEs) and analyze their effectiveness.
2. To identify the key challenges and opportunities in adopting sustainable business practices in Almora district.

3. Methodology

The present study was undertaken purposely in Almora district of Uttarakhand. The District is situated in Kumaun region in the north east of the state. The sampling frame for this study includes small and micro enterprises owners and managers. This study has been conducted between January and February 2025, which data has been collected from the owners and their managers of 80 medium and small scale enterprises using convenience sampling. The primary data was collected through well-structured

questionnaire and interview method. While secondary data is taken from government machinery like government reports, published journal data, research papers etc. Qualitative and quantitative methods have been used to analyze the collected data in which mean, percentage, SWOT and a 5-point Likert scale was used to assess the effectiveness of sustainable business practices among small and medium enterprises (SMEs). Respondents were asked to rate their agreement with five statements, ranging from 1 (Strongly Disagree) to 5 (Strongly Agree). Data was collected from the respondents through questionnaire and well-structured interview and data was analyzed through SWOT.

4. Result and discussion

4.1 Sustainable business practices adopted by small and medium enterprises (SMEs).

Table 1 Sustainable business practices adopted by small and medium enterprises (SMEs)

Sr. No	Variable	Categories	Frequency	Percentage%
1	Awareness about sustainability	High	46	57.5
		Moderate	24	30
		Low	10	12.5
2	Uses of ecofriendly Material	Yes	34	42.5
		No	46	57.5

The table shows that two important aspects, awareness towards sustainable business practices and usage of eco-friendly materials by medium and small scale industries in their industries. It was revealed that 57.5% of the respondents showed a high level of awareness, which shows that Knowledge of sustainable business is widely spread in small and medium enterprises of Almora district while 30 percent expressed medium and 12.5 percent expressed low awareness about sustainable business practices.

The table shows that 42.5 per cent used eco-friendly materials for production while 57.5 per cent of the enterprises showed no interest in it which shows the lack of implementation despite awareness. The main reason for this is the lack of awareness about environmentally friendly production and the high cost of adopting environmentally friendly methods. To make this 100 percent possible, the government should provide more training and financial support to entrepreneurs for sustainable business practices.

4.2 Sustainable Business Practices have Improved Business Performance

The given table shows the impact of sustainable business practices on micro and small enterprises. The questionnaire was used to ask the respondents about their opinion about sustainable business practices using five point Likert scale which is as follows.

Table 2 Sustainable practices have improved business performance

Sr. No	Scale Value	Number of Respondents	Weighted Score
1	5 Strongly Agree	22	110
2	4 (Agree)	28	112
3	3 (Neutral)	14	42
4	2 (Disagree)	12	24
5	1 (Strongly Disagree)	4	4
Total		80	292

Responses (Likert scale - 1 to 5)

$$\text{Mean} = \frac{(5 \times 22) + (4 \times 28) + (3 \times 14) + (2 \times 12) + (4 \times 1)}{80} = \frac{110 + 112 + 42 + 24 + 4}{80} = \frac{292}{80} = 3.65$$

Mean = 3.65

After collecting the data, the table shows that the mean obtained is 3.65 which shows positive impact among the respondents. The table shows that 22 respondents strongly and 28 respondents somewhat agree with sustainable business practices. Whereas 14 respondents are neutral in this context and 12 disagree and 4 strongly disagree. The table shows that most of the respondents agree with this statement Sustainable business practices play a vital role in enhancing various aspects of businesses such as cost efficiency, customer trust, and long-term competitiveness.

4.3. SWOT Analysis of Sustainable Business Practices in SMEs in Almora District:

Table 3: Analysis of Sustainable Business Practices in SMEs in Almora District

Category	Details (Based on Field Survey and Secondary Sources)
Strength	57.5 percent of enterprises are highly aware of sustainable business practices
	Rich natural resources
	Is an environmentally friendly product
	It makes a greater impact in the minds of customers
	Its use is environment friendly
Weakness	Very high cost
	High transport cost
	Lack of technology
	Low demand by consumer
	Lack of spatial market strategy
	Lack of competition
	Lack of awareness
Opportunities	Creation of employment at local level
	Efficient use of local products
	Special role in environmental protection
	More durable product
	Growing demand in the market
	Special incentives from the government
Threats	High initial cost
	Supply chain issues
	Policy complexity
	Risk of climate change and
	Unsupportive consumer behavior
	Non availability of raw materials

Table 3 highlights strengths, weaknesses, opportunities and threats in respondents’ sustainable business practice through SWOT analysis. The table shows that 57.5% of the respondents are highly aware of sustainable business practices which is its biggest strength. Being a rich natural resource and eco-friendly product, it makes a greater impact on the minds of the customers as it is environment friendly.

It is clear from the table that high production cost, high material cost, lack of technology, low demand and lack of market competition are its major weaknesses due to which it has not yet become truly popular. As a result, due to high prices, high resource costs and lack of technology, the demand for these products is very low due to their high cost. Therefore, they should be provided with technology by the government so that they can compete.

The table shows that there are many opportunities to adopt sustainable business practices including employment at local level, use of local resources, private sector sustainable products, and more prevalence in the market and special incentives from the governments. Currently, the government is also making special contribution for adopting sustainable business practice and making new policies.

The table shows the threats in adopting sustainable business practices. In which the major problems faced by micro and small enterprises in the beginning are high cost, supply constraints, increase in policies, unavailability of raw material and indifference of consumers etc. For which the government needs to solve the threats of sustainable business practice so that more and more entrepreneurs can adopt sustainable business practice.

5. Conclusion

The study concludes that sustainable business practices are being adopted in Almora district. Business firms are abandoning old models and adopting sustainable business practices. The study revealed that entrepreneurs in Almora district are aware about sustainable business practices. But some difficulties like high transportation cost, lack of technology, lack of competition and lack of awareness are also major obstacles in adopting sustainable business practices. Some suggestions to further promote sustainable business practices are as follows.

1. The government should provide technical assistance to micro and small enterprises so that they can make modern products which are in demand in the market.
2. The government should encourage consumers to buy sustainable products and for this, consumers should be made aware.
3. Research and development should be encouraged to improve sustainable business practices.
4. Micro and small entrepreneurs should be trained to adopt sustainable business practices.
5. Government should improve the infrastructure and transportation facilities to reduce the cost of adopting sustainable business practices.
6. To provide competitiveness to the businesses that promote sustainable business practices, the government should provide tax exemptions and subsidies.
7. The government should easily provide market for the products produced through sustainable business practices.
8. For this, the government should make a special plan to buy these products such that government goods should be purchased only from those which are produced through sustainable business practices.
9. If an entrepreneur is doing good work then present him as a role model and through him other entrepreneurs should also be inspired to adopt sustainable business practices.

6. Reference

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