

“Does *Mindset* Play a Role in Employees Handling Situations Effectively? An Indian MSME Perspective”

¹Prof. Girishchandran Chandrasekharan Pillai, ²Prof. (Dr.) Kavita Kshatriya

¹Faculty Member, ICFAI Business School, Ahmedabad

²Academic Dean, Swarnnim Startup and Innovation University, Ahmedabad-Gandhinagar

Introduction

How important is it for an Indian MSME professional to have the ability to deal with challenges? How important is it for an Indian MSME professional to face failure situations positively? How important is it for an Indian MSME professional to keep putting in the right efforts irrespective of the situation all around? How important is it for an Indian MSME professional to listen to critical feedback? How important is it for an Indian MSME professional to learn from the success of others? These are some of the questions that I have been trying to understand, which I am sure, a lot of us go through, sometimes almost daily. These are also the questions that a lot of leaders around the world are trying to understand, especially, since, a lot of highly engaging management practices which the management desires to accomplish from the Indian MSME management professionals have a direct impact value to the organizational success. However, the means of providing a modus operandi to get the Indian MSME professionals engaged in this approach has been traditionally one of the most important questions before the researchers, at large, over a long period of time.

Thus, this research has been specifically focussed towards providing a new approach towards the MSME professionals and thereby give a thought towards building a new area of control while dealing with the various situational areas that a MSME professional comes across in their future professional lives, especially, considering the potential that we see in this segment. The Indian MSME sector has played a very significant role in India's success journey since India's independence. Thus, one of the critical factors behind this research was to study the impact of the mindset of the workforce working for the MSME sector, who are poised to play a game changer role in the vision of being a developed country by or before 2047, when our country will complete 100 years of our independence. Kindly note, this empirical research is done amongst approx. 548 MSME working professionals (including the owners and employees), to understand, study the *mindset* of these professionals while they face *challenges*, the way they face *obstacles* in their real world, as also the level of *efforts* put in by them during these situations along with understanding the impact of their responses towards the *criticism* that they face in their real world as well as how do they respond to the *success of others* in their field, thereby helping us understand the importance of having the right mindset while handling various daily situations in our professional lives.

Thus, to understand in depth, let's try to put the area of mindset in the right perspective, by first and foremost understanding the term '*mindset*' in depth. As per the conventional definition defined in many books, Mindset as a term, attempts to convince us that mindset will propel the way a person behaves and approaches issues or problems accordingly in the most appropriate manner, as per the respective individual understanding of any given situation. Let us take some real-life practical examples, to understand the phenomena of mindset to understand the importance of understanding the mindset from a real-world context.

Imagine you are a 44-year Indian MSME entrepreneur, having run the business over the past 2 decades, having spent more than a core of rupees, mostly from your own accumulated savings and suddenly having to make a difficult decision, especially in whether, one needs to wind off the current business or one must continue to keep up the overall decisions to achieve the set goals, since this one decision would also have a larger cascading effect over the next few years.

Imagine you are a 34-year-old management graduate who after a stint of almost 12 years in the industry

needing to take a decision on whether to take the decision of going ahead with the current job or get directly into the dairy business as an Indian MSME entrepreneur, since, the dairy business is a huge business, with huge potential but no direct visibility of the immediate profitability and thereby immediate cash flow is an issue.

Imagine you are 32-year-old Indian MSME entrepreneur heading an organisation that you had co-founded with a lot of purpose and passion and now has grown into a turnover of Rs. 10 crore per annum. Suddenly, due to extraneous variables coming into the picture, you are now forced to decide to either invest Rs. 25 Crore into additional technology to withstand the competitive forces or continue the current business with the current risk with an assumption that a decision could be taken later, as & when the competitive nature of the market forces the organisation, since, currently the profitability and turnover is at a decent level.

Imagine you are 42-year-old Indian MSME entrepreneur, who had decided start something on your own after working for almost 20 years, with various Fortune 500 Group organisations and finally getting a chance to work on your own terms. You are into a middle life situation with life cycle demands of managing personal priorities as well as organisation growth plans. You have been confronted with criticism from your near and dear ones, since, you have not been able to give time to your family as your professional commitments had to be taken into priority and just when they felt that you will be able to give more time, you had decided to start your own venture, which is taking more time, since you need to now, think about the business growth across all time zones,

In each of the above stated cases, Your next decision, either winding off one's business after more than 2 decades of time or continuing with the current profile, either getting into diary business and take the calculated risk, especially in your mid 30's or 40's or join a safe profession initially or juggling between a decision to spend time with family or letting go of an opportunity to go big, will be dependent purely on the type of mindset that you have and this paper will help you to understand and analyse the same after a thorough analysis of the 548 MSME entrepreneurs who were an integral part of this research, since, one would be able to have a look at the relationship between mindset and the respective situational behaviour being demonstrated by the person. All the above stated examples are real world examples of some of the entrepreneurs who have contributed in this research and hence have contributed by giving their valuable insights.

Thus, this detailed research study has attempted to address this gap and hopefully, helped us to understand the relation between mindset of a person and his/her ability to face situations, especially regarding the challenges, obstacles, efforts, criticism and success of others faced by individuals in an Indian MSME scenario and thereby helped us to bring an additional tool. Going forward, the in-depth understanding of the above stated relationship would also help future researchers to further take up this study and then further help all the stakeholders involved in the Indian MSME industry to meet the long term objectives of ensuring long terms sustainable financial health of the organisation by taking note of the mental aspect of the Indian MSME professional into consideration before formulating a plan or action pertaining to the business decisions impacting the Indian MSME professional & thereby the entire organisation.

Review of Literature

When we look at this term, "situations", and ask people to define it, it may mean different things to different people, however, it's important for us to understand this word from this research context. "A set of circumstances, in which one finds oneself; a state of affairs" is the dictionary meaning given by the Oxford Press. Thus, situations may seemingly look the same from the surface level, however we deep dive into the circumstances of an individual's life, we may realise that the each of the responses of the individual involved maybe on the basis of his/her own mindset.

Over all these years, researchers have always been interested in the study of human behaviour, especially in understanding the rationale of action in each individual in an organisational set-up, since, there have been numerous instances of many people looking at the same situations and still reacting in their own individual manner.

One of the foremost researches done in understanding behaviour in an organisational context was done in collaboration with Harvard Business School, named as the “Hawthorne Experiments”. This experiment was done at a time, wherein the management belief prevalent was of Theory X (in terms of McGregor’s *(Bridging the Gap Growth Minds.Pdf*, n.d.) research philosophy), wherein the belief system was that there was always a need for external motivation for the workers to do their role and hence, the concept of ‘internal motivation’ was still not developed. These experiments summarised that the worker who were called out separately from the group, reported better productivity than the other workers, inspite of no special additional benefits given to them. The reason for this difference was that the worker felt special internally, since, they were called out from a group and hence due to this inner motivation, they were able to contribute in a better manner. This was one of the 1st instances wherein the concept of internal motivation (already prevalent) in the human beings from an organisational set-up perspective were discovered by the researchers. Thus, alongwith basic factors such as better working conditions and lighting arrangements being done differently, contributing to the productivity enhancements, it was clearly visible to the researchers that the “intrinsic motivation” was a keen aspect.

Thus, once the Hawthorne Experiments were concluded, it became evident to the researchers that there is a need to get into more research in the areas of the behaviours that people demonstrate in an organisational context, and thereby came the research propounded by McGregor as the Theory X and Theory Y, wherein the management of the organisation were encouraged to demonstrate and give more empowerment to the people with the thought that the people themselves are motivated enough to work for the organisation and once that culture of empowerment is given to people, they themselves will be charged enough to bring ownership towards their productivity. The predominant prevalent view among the management of that times were that “ employees needed to be co-erced, controlled and directed and (sometimes) even be threatened to get them to put forth the efforts and thereby get the desired productivity.

Eventually, It took McGregor’s research summary to empirically prove that human beings have the ability to be intrinsically motivated and thus, came a more comprehensive acceptance, that intrinsic motivation can also be developed consciously by the management, thereby also adding another dimension of motivational theory and additionally providing the opportunity to the leaders to provide the environment and ownership to build motivation amongst its people and thereby enhance the overall productivity of the organisation.

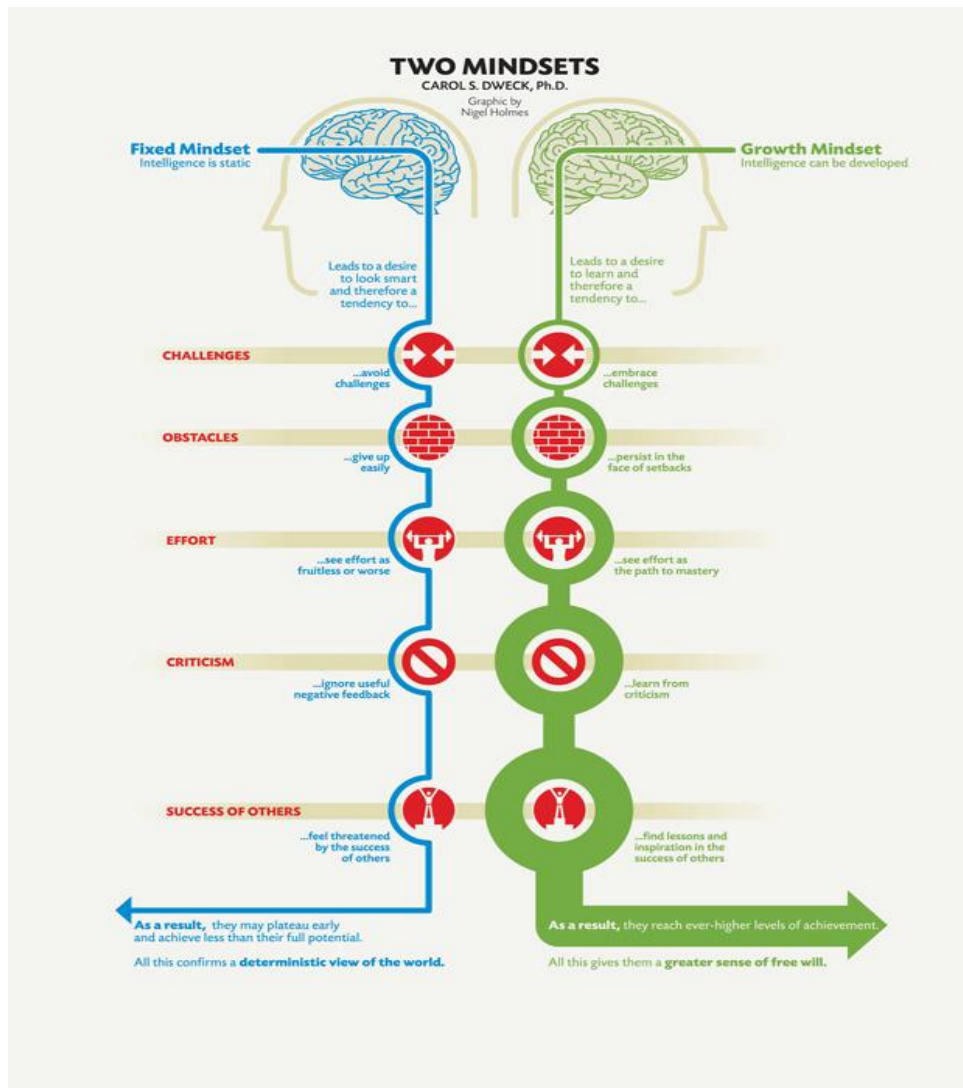
Thus, Over a period of time, more emphasis were given to people side of the organisation, thereby bringing out more theories such as Social Learning Theory, which focusses on how people learn behaviours by observing and imitating actions of their respective co-workers alongside them. Thus, the overall thought and research of the individual and their respective surrounding gained prominence, especially in ensuring a lasting change in people.

One of the additional Research that took place during this time was the Social Cognitive Theory, which is rooted in the perspective that professionals preferred to be proactive and self-regulating rather than being told to work. This theory represents a social cognitive approach that stems from goals and goal-oriented behaviour and relates to the individual differences in beliefs and Values. This is the time, wherein the researchers started focussing on the rationale and behaviours of individual behaviours even when confronted by the same set of challenges and situations. Thus, the focus was shifted towards the malleability of the personal practices and thereby research was able to highlight that there were 2 separate mindsets in people when they were confronted with challenges, obstacles and similarly had their own mechanisms to understand the efforts to put, the way they handled criticism alongside the way people handled the success of others.

Thereby, further research by Carol Dweck, also substantiated the initial research done by Bandura, stating that there are 2 separate mindsets, namely tagged as Incremental Mindset and Fixed Mindset, which clearly has different platforms. She further initially ability into 2 separate categories, namely, as “ There were 2 meanings to ability – not one – a fixed ability that needs to be proven, and a changeable ability that can be developed through learning. “ (C. S. Dweck, 1975).

Thus, the basic idea of the response states of the 2 mindsets under specific situations has been covered by Dr.

Carol Dweck in the following manner:



Graphic Source: Nigel Holmes

Thus, Mindset Research, though, initially started with research on school children, has gained momentum with many researchers showing empirical evidences wherein people with growth mindset were able to handle situations in a more effective manner in comparison to people with fixed mindset. This research on MSME industry professionals was also a step in the same direction to further understand the feasibility of having a process to understand whether there is any significance of the type of the mindset amongst the decisions which people in organisations, more importantly to find whether there could be a correlation between the type of mindset predicting the type of approach taken by the professional in an Indian MSME organisation.

➤ **Objective**

To understand the impact of mindset amongst individuals while confronting challenges, coping with failures, decision regarding efforts to be put in a situation, ability to deal with criticism and finally handling the success of others in a MSME organisation.

➤ **Sub Objective**

- 1.To understand the Impact between Mindset of a Professional in a MSME organisation and his/her belief in handling challenges in a MSME organisation.
- 2.To understand the Impact between Mindset of an Individual in a MSME and his/her ability to come out of a challenging situation in a winning manner in an MSME organisation.
- 3.To understand the Impact between Mindset of a Professional in a MSME organisation and his/her belief that Challenging Situations make a Better Professional in a MSME organisation.
- 4.To understand the Impact between Mindset of a Professional in a MSME organisation and his/her belief in handling obstacles in a MSME organisation.
- 5.To understand the Impact between Mindset of a Professional in a MSME organisation and his/her ability to come out of obstacles in a winning manner in a MSME organisation.
- 6.To understand the Impact between Mindset of a Professional in a MSME organisation and his/her belief that obstacles make a Better Professional in a MSME organisation.
- 7.To understand the Impact between Mindset of a Professional in a MSME organisation and his/her belief in handling criticism towards you in a MSME organisation.
- 8.To understand the Impact between Mindset of a Professional in a MSME organisation and his/her belief that criticism makes one perform better in a MSME organisation.
- 9.To understand the Impact between Mindset of a Professional in a MSME organisation and his/her belief that you are persistent in your efforts in a MSME organisation.
10. To understand the Impact between Mindset of a Professional in a MSME organisation and his/her belief that consistent efforts will lead you to be a better professional in a MSME organisation.
11. To understand the Impact between Mindset of a Professional in a MSME organisation and his/her belief that success of others will lead you to be a better professional in a MSME organisation.
12. To understand the Impact between Mindset of a Professional in a MSME organisation and his/her belief that success of others will make you work harder in a MSME organisation.
13. To understand the Impact between Mindset of a Professional in a MSME organisation and his/her belief that success of others plays a major role in making you a better professional in a MSME organisation.

➤ **Scope of this Research**

The Scope of this Research is restricted to Professionals working in MSME Organisations based in and around India, based on convenience sampling of the researcher, on the basis of a google form.

➤ **Research Methodology**

The Research Design used in this empirical research was quantitative method. However, since the same was conducted after discussions with the employees and owners of Indian MSME units, there was a lot of qualitative discussions that happened with the key stakeholders, which definitely helped met to understand the research in a more granular manner.

The Research design was based on the “Mindset Instrument” Model designed by Dr. Carol Dweck(Lyons & Bandura, 2017), wherein, through a Likert Scale, the research and which has been accepted internationally as the preferred scale to measure mindset.

Primary Data was gathered from LinkedIn, a popular business online networking platform through the snowballing sample methodology, with an objective of getting more authentic data and to avoid an unbiased

approach of data collection from the participant since any organisational biases are ruled out. All the individuals, who had agreed to the survey were either a part of the small business enterprise as co-owners or were working in a small enterprise as an employee. Once, the connect was made through LinkedIn, all the users were sent a google form for the data collection.

The sample was filtered on the basis of the eligibility of the criteria fulfilment of MSME Firms based in India through simple random sampling methodology.

This process resulted in about 548 selected professionals from MSME units being selected for the sample inclusion. The survey was sent out twice and then followed up by a reminder to all potential participants.

Conceptual Boundary within this exercise (Constructs Involved in the Research)

- *Mindset – Growth Mindset & Fixed Mindset*
- *Ability to deal with Challenges*
- *Ability to deal with Obstacles*
- *Ability to deal with Efforts*
- *Ability to deal with Criticism*
- *Ability to deal with Success of Others*

There were predominantly 6 Constructs that we were trying to quantify and measure in the following manner:

1) Mindset of MSME Professionals –

The Following 2 variables, viz – Growth Mindset and Fixed Mindset, validated on the basis of the responses from the 8 statements were taken into consideration to measure the construct, viz – Mindset of MSME professionals.

- 1) You have a certain amount of intelligence, and you really can't do much to change it - Fixed Mindset
- 2) Your intelligence is something about you that you can't change very much - Fixed Mindset
- 3) No matter who you are, you can significantly change your intelligence level - Growth Mindset
- 4) To be honest, you can't really change how intelligent you are - Fixed Mindset
- 5) You can always substantially change how intelligent you are – Growth Mindset
- 6) You can learn new things, but you can't really change your basic intelligence – Fixed Mindset
- 7) No matter how much intelligence you have, you can always change it quite a bit – Growth Mindset
- 8) You can change even your basic intelligence level considerably – Growth Mindset
- 9) You have a certain amount of talent, and you can't really do much to change it – Fixed Mindset
- 10) Your talent in an area is something about you that you can't change very much – Fixed Mindset
- 11) No matter who you are, you can significantly change your level of talent – Growth Mindset
- 12) To be honest, you can't really change how much talent you have – Fixed Mindset
- 13) You can substantially change how much talent you have – Growth Mindset
- 14) You can learn new things, but you can't really change your basic level of talent – Fixed Mindset
- 15) No matter how much talent you have, you can always change it quite a bit – Growth Mindset
- 16) You can change even your basic level of talent considerably – Growth Mindset

The approach to measure mindset of the personnel was relatively easier, since there was a globally preferred measurement scale to understand the mindset of the employees, in the form of statements being put in a Likert

Scale, which was preferred by most of the researchers across the world, who measure the mindset scale, with the options to the statement being “Strongly Agree, Somewhat agree, Neither Agree or Disagree, Somewhat disagree, Strongly Disagree”. (*Growth Mindset - Measurement of Scale - Updated 27032021.Pdf*, n.d.)

This was measured through a Defined Scale (already globally accepted to measure the mindset) and thereby understanding the Growth Mindset and Fixed Mindset measurement through the statements given by MSME professional.

The KMO Score of Sample Adequacy was 0.899 signifying the adequacy of the measurement. (Hutcheson & Sofroniou)

2) Ability to Deal with Challenges –

The following variables were taken into consideration to measure the above Construct, viz – The Ability to handle Challenges by a MSME professional,

- Belief in Handling Challenges
- Belief in Coming out as a winner in a Challenging Situation
- Belief that Challenging Situations make a Better Professional

These measures were considered acceptable metrics of the construct after studying the various metrics used by researchers across the globe, who were understanding the impact of mindsets on the behaviours of personnel in organisations. (*Growth Mindset - Measurement of Scale - Updated 27032021.Pdf*, n.d.).

Thus, to measure the overall predictability of mindset while facing challenges, the respondents were asked to indicate whether they could handle challenging situations in their organisations, whether they could anticipate coming out of a challenging situation in a winning manner, whether, given their overall experience, they would be avoiding a challenging situation in future and finally, whether they thought, that the challenging situation made them a better employee. Accordingly, they were given options from “Definitely Yes, Probably Yes, Might or Might Not, Probably Not, Definitely Not”.

This was measured by taking the mean of the three statements that the MSME professional responds to, namely as follows:

- Belief in Handling Challenges
- Belief in Coming out as a winner in a Challenging Situation
- Belief that Challenging Situations make a Better Professional

Thereby, KMO Score of Sample Adequacy came to 0.723 signifying the adequacy of the measurement. (Hutcheson & Sofroniou) Hutcheson & Sofroniou, 1. p.-2. (n.d.).

3) Ability to Deal with Obstacles

The Following variables were taken into consideration to measure the following construct, viz – To measure the obstacles of personnel in MSME organisations.

- Belief in Handling Obstacles
- Belief in Coming out as a winner when faced with obstacles
- Belief that Obstacles make a Better Professional

The approach of the personnel while confronting failures is tested by initial statements encountering failure situations, especially whether they feel comfortable handling failure situations, whether they feel confident of being an eventual winner even when facing failure situations, whether they feel that failure makes them a better professional. These were predominantly the variables used for measuring the overall behaviour of the professional when confronted with failure situations in their respective organisation. Collectively, these measures were taken after numerous studies showed qualitative

indexes being used to measure the responses of participants through recorded observations. However, since ours was a quantitative study, the chosen measurement criteria was deemed to be the most appropriate one (*Growth Mindset - Measurement of Scale - Updated 27032021.Pdf*, n.d.). Accordingly, to measure the overall impact of mindset while facing failures, for all the above stated scenarios, the participants were supposed to choose from options such as “Definitely Yes, Probably Yes, Might or Might Not, Probably Not, Definitely Not”.

This is measured by taking the mean of the three statements that the MSME professional responds to, namely as follows:

- Belief in Handling Obstacles
- Belief in Coming out as a winner when faced with obstacles
 - Belief that Obstacles make a Better Professional

The KMO Score of Sample Adequacy is 0.572 signifying the adequacy of the measurement. (Hutcheson & Sofroniou)

4) Ability to deal with Efforts

The Following variables were taken into consideration to measure the following construct, viz – To measure the efforts of personnel in MSME organisations.

- Belief in improving situations by putting in more efforts
- Belief in being persistent in your efforts when faced with situations
- Belief that consistent efforts will make you a better professional

Since, the KMO Score was inadequate, have dropped one of the statement and thereby improved the score, the following 2 statements were considered,

- Belief in being persistent in your efforts when faced with situations
- Belief that consistent efforts will make you a better professional

The Approach of the personnel to measure Efforts of personnel in small firms is tested by the amount of importance given to the efforts by these personnel, in the larger context. Thus, The 2 critical parameters being taken into consideration were the importance of persistent efforts leading to enhancement in productivity and finally whether the efforts will lead one to be a better professional in the organisation.

This is measured by taking the mean of the three statements that the MSME professional responds to, namely as follows:

- Belief in improving situations by putting in more efforts
- Belief in being persistent in your efforts when faced with situations
- Belief that consistent efforts will make you a better professional

The KMO Score of Sample Adequacy is 0.372 signifying the inadequacy of the measurement. (Hutcheson & Sofroniou)

Since, the KMO Score was inadequate, have dropped one of the statements and thereby improved the score, the following 2 statements were considered,

- Belief in being persistent in your efforts when faced with situations
- Belief that consistent efforts will make you a better professional

The KMO Score of Sample Adequacy is 0.500 signifying the adequacy of the measurement (Hutcheson & Sofroniou)

5) Ability to Deal with Criticism

The Following variables were taken into consideration to measure the following construct, viz – To measure the criticism of personnel taken in the right context in MSME organisations.

- Belief in handling Criticism
- Belief that Criticism makes one perform better in an organization

The approach of the personnel while confronting the criticism that they received is tested by understanding their initial reaction towards criticism received by them, whether they think that the criticism received by them helps them in performing in an even more effective manner and finally, whether going forward, they would avoid such criticism directed towards them in future. These were some of the statements put forward in front of the respondents to assess the overall stand taken by the respondents when they were faced with criticism scenarios in their respective organisations. Accordingly, to measure the overall impact of mindset while facing criticism, for all the above stated scenarios, the participants were supposed to choose from options such as “Definitely Yes, Probably Yes, Might or Might Not, Probably Not, Definitely Not.”

This is measured by taking the mean value of the responses to 2 statements that the MSME professional responds to, namely as follows:

- Belief in handling Criticism
- Belief that Criticism makes one perform better in an organization

The KMO Score of Sample Adequacy is 0.500 signifying the adequacy of the measurement (Hutcheson & Sofroniou)

6) Ability to Deal with Success of Others

The Following variables were taken into consideration to measure the following construct, viz – To measure the belief towards the success of others taken in the right context in MSME organisations.

- Belief that Success of Others inspires you in the organisation
- Belief that Success of Others will make you work harder in the organisation
- Belief that Success of Others will make you a better professional in the organisation

The approach of measuring the impact of success of others among personnel in small firms was tested by the 3 parameters, namely whether the impact of success of other inspires one, whether the success of other makes one work harder and finally whether the success of others makes one a better professional.

This is measured by taking the mean of the three statements that the MSME professional responds to, namely as follows:

- Belief that Success of Others inspires you in the organisation
- Belief that Success of Others will make you work harder in the organisation
- Belief that Success of Others will make you a better professional in the organisation

The KMO Score of Sample Adequacy is 0.590 signifying the adequacy of the measurement (Hutcheson & Sofroniou)

Measurement Criteria to measure Mindset of Personnel in Small Firms

Thus, once the overall measurement of the various stated above constructs was taken, the following hypothesis were put to test, through a detailed analysis through Correlation Analysis and a Regression Analysis report,

- 1) There is a positive co-relationship between the Growth Mindset of a MSME professional and his/her belief in

handling challenges in a MSME organisation.

- 2) There is a positive co-relationship between the Growth Mindset of a MSME professional and his/her ability to come out of a challenging situation in a winning manner in a MSME organisation.
- 3) There is a positive co-relationship between the Growth Mindset of a MSME professional and his/her belief that challenging situations make a better professional in a MSME organisation.
- 4) There is a positive co-relationship between the Growth Mindset of a MSME professional and his/her belief in handling obstacles in a MSME organisation.
- 5) There is a positive co-relationship between the Growth Mindset of a MSME professional and his/her belief to come out of obstacles in a winning manner in a MSME organisation.
- 6) There is a positive co-relationship between the Growth Mindset of a MSME professional and his/her belief that obstacles make a better professional in a MSME organisation.
- 7) There is a positive co-relationship between the Growth Mindset of a MSME professional and his/her belief in handling criticism positively in a MSME organisation.
- 8) There is a positive co-relationship between the Growth Mindset of a MSME professional and his/her belief that criticism makes one perform better in a MSME organisation.
- 9) There is a positive co-relationship between the Growth Mindset of a MSME professional and his/her belief that one is persistent in one's efforts in a MSME organisation.
- 10) There is a positive co-relationship between the Growth Mindset of a MSME professional and his/her belief that consistent efforts make a better professional in a MSME organisation.
- 11) There is a positive co-relationship between the Growth Mindset of a MSME professional and his/her belief that success of others will inspire one in a MSME organisation.
- 12) There is a positive co-relationship between the Growth Mindset of a MSME professional and his/her belief that success of other will make you work harder in a MSME organisation.
- 13) There is a positive co-relationship between the Growth Mindset of a MSME professional and his/her belief that success of others make a better professional in a MSME organisation.

➤ **Data Analysis & Interpretation**

- 1) **Hypothesis 1:** There is a positive co-relationship between the Growth Mindset (GM) of a MSME professional and his/her belief in handling challenges in a MSME organisation.

Analysis:

- The correlation between the Growth Mindset and the ability to handle challenges was depicted as highly significant, $r(548) = 0.209, p < 0.001$.
- A Bi-Variate Regression was also conducted to predict whether a Growth Mindset can predict the employee's belief in handling challenges in an MSME set-up. The regression equation for predicting the belief of the MSME professional to handle challenges in a small firm was $\hat{y} = 0.209 + 0.718x$. The r^2 for this equation was 0.665; i.e., 66.5% of the variance in the belief of professionals to handle challenges in a small firm was predictable from employees with a Growth Mindset. The bootstrapped 95% confidence interval* for the slope to predict the belief levels of professionals to handle challenges in a small firm from professionals with Growth Mindset ranged from 0.676 to 0.761; thus, overall, for every one-unit increase of growth mindset among employees in small firms, the belief of employees in these firms to handle challenges correspondingly increased to about 0.718 unit.

Thus, Hypothesis that “There is a positive co-relationship between the Growth Mindset and the belief of employees in a MSME organisation to deal with challenges” is empirically tested & accepted.

- 2) **Hypothesis 2:** There is a positive co-relationship between the Growth Mindset (GM) of a MSME professional and his/her ability to come out of a challenging situation in a winning manner in a MSME organisation.

➤ The co-relationship between the Growth Mindset and the ability to handle challenges was depicted as highly significant, $r(548) = 0.915$, $p < 0.001$.

➤ A Bi-Variate Regression was also conducted to predict whether a Growth Mindset can predict the employee’s belief in coming out as a winner in a challenging situation in a MSME set-up. The regression equation for predicting the belief of the MSME professional in coming out as a winner in a challenging situation in a small firm was $\hat{y} = 0.877 + 0.859x$. The r^2 for this equation was 0.838; i.e., 83.8% of the variance in the belief of professionals in coming out as a winner in a challenging situation in a small firm was predictable from employees with a Growth Mindset. The bootstrapped 95% confidence interval* for the slope to predict the belief levels of professionals that can come out as a winner in a challenging situation in a small firm from professionals with Growth Mindset ranged from 0.870 to 0.892 ; thus, overall, for every one unit increase of growth mindset among employees in small firms, the belief of employees in these firms in coming out as a winner in a challenging situation correspondingly increased to about 0.915 unit.

Thus, Hypothesis that “There is a positive co-relationship between the Growth Mindset and the belief of employees in a MSME organisation in coming out as a winner in a challenging situation” is empirically tested & accepted.

- 3) **Hypothesis 3:** There is a positive co-relationship between the Growth Mindset (GM) of a MSME professional and his/her belief that challenging situations make a better professional in a MSME organisation.

➤ The correlation between the Growth Mindset and the employee’s belief that challenging situations makes one a better professional organisation in a MSME set-up was depicted as highly significant, $r(548) = 0.677$, $p < 0.001$.

➤ A Bi-Variate Regression was also conducted to predict whether a Growth Mindset can predict the employee’s belief that challenging situations makes one a better professional organisation in a MSME set-up. The regression equation for predicting belief that Challenging situations makes one a better professional in MSME organisations was $\hat{y} = 0.783 + 0.447x$. The r^2 for this equation was 0.459; i.e., 45.9% of the variance belief that Challenging situations makes one a better professional in MSME organisations was predictable from employees with a Growth Mindset. The bootstrapped 95% confidence interval* for the slope to predict belief that Challenging situations makes one a better professional in MSME organisations from professionals with Growth Mindset ranged from 0.406 to 0.487 ; thus, overall, for every one unit increase of growth mindset among employees in small firms, belief that Challenging situations makes one a better professional in MSME organisations correspondingly increased to about 0.677 unit.

Thus, Hypothesis that “There is a positive co-relationship between the Growth Mindset and belief that Challenging situations makes one a better professional in MSME organisations” is empirically tested & accepted.

- 4) **Hypothesis 4:** There is a positive co-relationship between the Growth Mindset of a MSME professional and his/her belief in handling obstacles in a MSME organisation.

➤ The correlation between the Growth Mindset and employee’s beliefs in handling obstacles in a MSME set-up was depicted as highly significant, $r(548) = 0.794$, $p < 0.001$.

➤ A Bi-Variate Regression was also conducted to predict whether a Growth Mindset can predict the

employee's beliefs in handling obstacles in a MSME set-up. The regression equation for predicting employee's beliefs in handling obstacles in a MSME set-up was $\hat{y} = 0.923 + 0.296x$. The r^2 for this equation was 0.630; i.e., 63% of the variance in employee's beliefs in handling obstacles in a MSME set-up was predictable from employees with a Growth Mindset. The bootstrapped 95% confidence interval* for the slope to predict employee's beliefs in handling obstacles in a MSME set-up from professionals with Growth Mindset ranged from 0.277 to 0.315 ; thus, overall, for every one unit increase of growth mindset among employees in small firms, employee's beliefs in handling obstacles in a MSME set-up correspondingly increased to about 0.794 unit.

Thus, Hypothesis that "There is a positive co-relationship between the Growth Mindset and employee's beliefs in handling obstacles in a MSME organisation" is empirically tested & accepted.

5) **Hypothesis 5:** There is a positive co-relationship between the Growth Mindset of a MSME professional and his/her belief to come out of obstacles in a winning manner in a MSME organisation.

➤ The correlation between the Growth Mindset and employee's Belief that one can come out of obstacles in a winning manner in a MSME set-up was depicted as highly significant, $r(548) = 0.847$, $p < 0.001$.

➤ A Bi-Variate Regression was also conducted to predict whether a Growth Mindset can predict the Belief that one can come out of obstacles in a winning manner in a MSME set-up. The regression equation for predicting Belief that one can come out of obstacles in a winning manner in a MSME set-up was $\hat{y} = 0.969 + 0.460x$. The r^2 for this equation was 0.717; i.e., 71.7% of the variance in employee's Belief that one can come out of obstacles in a winning manner in a MSME set-up was predictable from employees with a Growth Mindset. The bootstrapped 95% confidence interval* for the slope to predict employee's Belief that one can come out of obstacles in a winning manner in a MSME set-up from professionals with Growth Mindset ranged from 0.436 to 0.485 ; thus, overall, for every one unit increase of growth mindset among employees in small firms, employee's Belief that one can come out of obstacles in a winning manner in a MSME set-up correspondingly increased to about 0.847 unit.

Thus, Hypothesis that "There is a positive co-relationship between the Growth Mindset and employee's Belief that one can come out of obstacles in a winning manner in a MSME organisation" is empirically tested & accepted.

6) **Hypothesis 6:** There is a positive co-relationship between the Growth Mindset of a MSME professional and his/her belief that obstacles make a better professional in a MSME organisation.

➤ The correlation between the Growth Mindset and employee's belief that obstacles make a better professional in a MSME set-up was depicted as highly significant, $r(548) = 0.700$, $p < 0.001$.

➤ A Bi-Variate Regression was also conducted to predict whether a Growth Mindset can predict the belief that obstacles make a better professional in a MSME set-up. The regression equation for predicting Belief that one can come out of obstacles in a winning manner in a MSME set-up was $\hat{y} = 0.802 + 0.518x$. The r^2 for this equation was 0.490; i.e., 49% of the variance in employee's belief that obstacles make a better professional in a MSME set-up was predictable from employees with a Growth Mindset. The bootstrapped 95% confidence interval* for the slope to predict employee's belief that obstacles make a better professional in a MSME set-up from professionals with Growth Mindset ranged from 0.474 to 0.563 ; thus, overall, for every one unit increase of growth mindset among employees in small firms, employee's belief that obstacles make a better professional in a MSME set-up correspondingly increased to about 0.700 unit.

Thus, Hypothesis that “There is a positive co-relationship between the Growth Mindset and employee’s belief that obstacles make a better professional in a MSME organisation” is empirically tested & accepted.

- 7) **Hypothesis 7:** There is a positive co-relationship between the Growth Mindset of a MSME professional and his/her belief in handling criticism positively in a MSME organisation.

➤ The correlation between the Growth Mindset and employee’s belief in handling criticism positively in a MSME set-up was depicted as highly significant, $r(548) = 0.948, p < 0.001$.

➤ A Bi-Variate Regression was also conducted to predict whether a Growth Mindset can predict the belief in handling criticism positively in a MSME set-up. The regression equation for predicting belief in handling criticism positively in a MSME set-up was $\hat{y} = 0.408 + 0.964x$. The r^2 for this equation was 0.899; i.e., 89.9% of the variance in employee’s belief in handling criticism positively in a MSME set-up was predictable from employees with a Growth Mindset. The bootstrapped 95% confidence interval* for the slope to predict employee’s belief in handling criticism positively in a MSME set-up from professionals with Growth Mindset ranged from 0.937 to 0.992 ; thus, overall, for every one unit increase of growth mindset among employees in small firms, employee’s belief in handling criticism positively in a MSME set-up correspondingly increased to about 0.948 unit.

Thus, Hypothesis that “There is a positive co-relationship between the Growth Mindset and employee’s belief in handling criticism positively in a MSME organisation” is empirically tested & accepted.

- 8) **Hypothesis 8:** There is a positive co-relationship between the Growth Mindset of a MSME professional and his/her belief that criticism makes one perform better in a MSME organisation.

➤ The correlation between the Growth Mindset and employee’s belief that criticism makes one perform better in a MSME set-up was depicted as moderately insignificant, $r(548) = 0.420, p < 0.001$.

➤ A Bi-Variate Regression was also conducted to predict whether a Growth Mindset can predict the Belief that criticism makes one perform better in a MSME set-up. The regression equation for predicting employee’s belief that criticism makes one perform better in a MSME set-up was $\hat{y} = 0.408 + 0.964x$. The r^2 for this equation was 0.177; i.e., 1.77% of the variance in employee’s employee’s belief that criticism makes one perform better in a MSME set-up was predictable from employees with a Growth Mindset. The bootstrapped 95% confidence interval* for the slope to predict employee’s employee’s belief that criticism makes one perform better in a MSME set-up from professionals with Growth Mindset ranged from 0.259 to 0.373 ; thus, overall, for every one unit increase of growth mindset among employees in small firms, employee’s belief employee’s belief that criticism makes one perform better in a MSME set-up correspondingly increased to about 0.420 unit.

Thus, Hypothesis that “There is a positive co-relationship between the Growth Mindset and employee’s belief that criticism makes one perform better in a MSME organisation” is empirically tested & rejected.

- 9) **Hypothesis 9:** There is a positive co-relationship between the Growth Mindset of a MSME professional and his/her belief that one is persistent in one’s efforts in a MSME organisation.

➤ The correlation between the Growth Mindset and employee’s Belief that you are persistent in your efforts in a MSME set-up was depicted as highly insignificant, $r(548) = 0.153, p < 0.001$.

➤ A Bi-Variate Regression was also conducted to predict whether a Growth Mindset can predict the Belief that you are persistent in your efforts in a MSME set-up. The regression equation for predicting employee’s belief that criticism makes one perform better in a MSME set-up was $\hat{y} = 1.850 + 0.142x$. The r^2 for this equation was 0.024; i.e., 2.4% of the variance in employee’s employee’s Belief that you are persistent in your efforts in a MSME set-up was predictable from employees with a Growth Mindset. The bootstrapped 95% confidence interval* for the slope to predict employee’s employee’s Belief that you are persistent in your efforts in a

MSME set-up from professionals with Growth Mindset ranged from 0.065 to 0.219 ; thus, overall, for every one unit increase of growth mindset among employees in small firms, employee's belief employee's belief that criticism makes one perform better in a MSME set-up correspondingly increased to about 0.153 unit.

Thus, Hypothesis that "There is a positive co-relationship between the Growth Mindset and employee's belief that you are persistent in your efforts in a MSME organisation" is empirically tested & rejected.

10) **Hypothesis 10:** There is a positive co-relationship between the Growth Mindset of a MSME professional and his/her belief that consistent efforts make a better professional in a MSME organisation.

➤ The correlation between the Growth Mindset and employee's Belief that consistent efforts will lead you to be a better professional in a MSME set-up was depicted as having negative significance, $r(548) = -0.002$, $p < 0.001$.

➤ A Bi-Variate Regression was also conducted to predict whether a Growth Mindset can predict the Belief that consistent efforts will lead you to be a better professional in a MSME set-up. The regression equation for predicting employee's belief that consistent efforts will lead you to be a better professional in a MSME set-up was $\hat{y} = 1.294 + (-0.001) * x$. The r^2 for this equation was 0.0001; i.e., 0.001% of the variance in employee's employee's Belief that consistent efforts will lead you to be a better professional in a MSME set-up was predictable from employees with a Growth Mindset. The bootstrapped 95% confidence interval* for the slope to predict employee's employee's Belief that consistent efforts will lead you to be a better professional in a MSME set-up from professionals with Growth Mindset ranged from -0.026 to -0.025 ; thus, overall, for every one unit increase of growth mindset among employees in small firms, employee's belief employee's belief that consistent efforts will lead you to be a better professional in a MSME set-up correspondingly decrease to about -0.002 unit.

Thus, Hypothesis that "There is a positive co-relationship between the Growth Mindset and employee's belief that consistent efforts will lead you to be a better professional in a MSME set-up" is empirically tested & rejected.

11) **Hypothesis 11:** There is a positive co-relationship between the Growth Mindset of a MSME professional and his/her belief that success of others will inspire one in a MSME organisation.

➤ The correlation between the Growth Mindset and employee's that success of others inspires you in a MSME set-up was depicted as having very low significance, $r(548) = 0.187$, $p < 0.001$.

➤ A Bi-Variate Regression was also conducted to predict whether a Growth Mindset can predict the Belief that success of others inspires you in a MSME set-up. The regression equation for predicting employee's belief that success of others inspires you in a MSME set-up was $\hat{y} = 1.996 + 0.210 * x$. The r^2 for this equation was 0.035; i.e., 3.5% of the variance in employee's employee's Belief that success of others inspires you in a MSME set-up was predictable from employees with a Growth Mindset. The bootstrapped 95% confidence interval* for the slope to predict employee's employee's Belief that success of others inspires you in a MSME set-up from professionals with Growth Mindset ranged from 0.117 to 0.303 ; thus, overall, for every one unit increase of growth mindset among employees in small firms, employee's belief employee's belief that success of others inspires you in a MSME set-up correspondingly increase to about 0.187 unit.

Thus, Hypothesis that "There is a positive co-relationship between the Growth Mindset and employee's belief that success of others inspires you in a MSME organisation" is empirically tested & rejected.

12) **Hypothesis 12:** There is a positive co-relationship between the Growth Mindset of a MSME professional and his/her belief that success of others will make you work harder in a MSME organisation.

➤ The correlation between the Growth Mindset and employee's that success of others makes you

work harder in a MSME set-up was depicted as having negative significance, $r(548) = 0.095, p < 0.001$.

- A Bi-Variate Regression was also conducted to predict whether a Growth Mindset can predict the Belief that success of others makes you work harder in a MSME set-up. The regression equation for predicting employee's belief that success of others makes you work harder in a MSME set-up was $\hat{y} = 1.678 + 0.067 * x$. The r^2 for this equation was 0.009; i.e., 0.9% of the variance in employee's Belief that success of others makes you work harder in a MSME set-up was predictable from employees with a Growth Mindset. The bootstrapped 95% confidence interval* for the slope to predict employee's Belief that success of others makes you work harder in a MSME set-up from professionals with Growth Mindset ranged from 0.117 to 0.303 ; thus, overall, for every one unit increase of growth mindset among employees in small firms, employee's belief employee's belief that success of others makes you work harder in a MSME set-up correspondingly increase to about 0.187 unit.

Thus, Hypothesis that "There is a positive co-relationship between the Growth Mindset and employee's belief that success of others makes you work harder in a MSME organisation" is empirically tested & rejected.

- 13) **Hypothesis 13:** There is a positive co-relationship between the Growth Mindset of a MSME professional and his/her belief that success of others make a better professional in a MSME organisation.

- The correlation between the Growth Mindset and employee's that success of others plays a role in making you a better professional in a MSME set-up was depicted as having positive significance, $r(548) = 0.529, p < 0.001$.

- A Bi-Variate Regression was also conducted to predict whether a Growth Mindset can predict the Belief that success of others plays a role in making you a better professional in a MSME set-up. The regression equation for predicting employee's belief that success of others plays a role in making you a better professional in a MSME set-up was $\hat{y} = 1.288 + 0.593 * x$. The r^2 for this equation was 0.280; i.e., 28% of the variance in employee's Belief that success of others plays a role in making you a better professional in a MSME set-up was predictable from employees with a Growth Mindset. The bootstrapped 95% confidence interval* for the slope to predict employee's Belief success of others plays a role in making you a better professional in a MSME set-up from professionals with Growth Mindset ranged from 0.513 to 0.674 ; thus, overall, for every one unit increase of growth mindset among employees in small firms, employee's belief employee's belief that success of others plays a role in making you a better professional in a MSME set-up corresponding to about 0.529 unit.

Thus, Hypothesis that "There is a positive co-relationship between the Growth Mindset and employee's belief that success of others makes you work harder in a MSME set-up" is empirically tested & accepted.

➤ Findings & Implications

Thus, overall, there has been a positive Impact of Growth Mindset among the Indian MSME Professionals, especially in the belief system of how one would deal with challenges, obstacles and criticism, while there has been partial impact on the 2 other variables, namely efforts and success of others.

This research study, surely leads us to have more detailed investigation into the role of mindset over the daily decision making of the MSME professional, especially, since on a day to day basis, there is an imminent need to understand the rationale of decision making.

The other larger implication is on the impact of mindset in the Team environment, since, most of the working happens in an intra dependent culture, and thereby the role of inter-personal behaviour needs further research.

➤ **Opportunity for Improvement**

One of the biggest Opportunity for improvement in this research was the lack of locational access across MSME vertical, especially in meeting the norms set and thereby the conclusions of the study need to be validated with an online mode. The other aspect is the lack of qualitative study in the research, since, being a quantifiable study, there was a lack of interactive session with the respondents, since, the interpretation of the questionnaire was not subject to any refined meaning, which further may lead to subjective interpretations. Despite these limitations, we believe that since our study is one of the first examinations of the implication of the growth mindset among the professionals in Indian MSME firms, its findings are noteworthy and thus future research should continue to examine the topic.

➤ **Future Research Suggestions**

One of the key research findings of the present empirical study is that Mindset plays a critical factor among MSME professionals in helping them handle challenging situations, failure situations and criticism towards them successfully. The positive co-relationship between Growth Mindset and the belief of professionals in MSME firms while dealing with various situations help one to relate to the significance of the study. Given this, it appears that researchers should continue examining the relationship between Growth Mindset and their corresponding behavioural patterns among professionals in small firms. We certainly acknowledge that countless other factors may also influence a professional's belief while facing challenges, failures and criticism directed towards oneself, however, our study suggests that Growth Mindset plays a pivotal role and thereby needs to be considered as an important variable in understanding the overall behavioural patterns of professionals in small firms. This research study further opens up another area of research, especially in small enterprises, to study further the impact of mindset on the other important areas of human resources, which might play an important role in improving the productivity of professionals in enterprises and thereby lead to sustainable employee-employer relationship in future. Additionally, the future scope of further research in Mindset area in the following areas,

- Role of Mindset in dealing with a particular Role
- Role of Mindset in dealing with Job Fitment decision
- Role of Mindset in dealing with Career Alignment
- Role of Mindset in dealing with Decision Making
- Role of Mindset in dealing with Strategic Outlook
- Role of Mindset in dealing with Brand Value
- Role of Mindset in dealing with Team Building
- Role of Mindset in dealing with Team Management
- Role of Mindset in dealing with Recruitment
- Role of Mindset in dealing with Orientation towards Role
- Role of Mindset in dealing with Performance Management System
- Role of Mindset in dealing with Training & Development
- Role of Mindset in dealing with Compensation Management

Overall, this research will make the industry acknowledge the role of mindset in their own working, especially when it has a direct impact on the overall organisational set-up, especially, since it encompasses almost every aspect of a professional's working domain, since the mindset is set to play a critical role in the way decisions are taken in organisations.

Thus, this research will hopefully make the industry realise the importance of considering mindset of a professional as an important variable to consider while hiring professionals in the organisations, since, it is one of the most intangible aspects of a professional, however, the one variable, which will have the most profound impact in a decision, and also gives us hope, that once, we are aware of the impact of the role of mindset, we can start working on these aspects and thereby help in improving the quality of the decisions that we take in future.

Most importantly, the findings of this research will also the industry to predict the type of decisions that a professional might take, on the basis of the type of mindset of the professional in the organisation.

Bibliography:

- [1] Baldrige, M. C. (2010). The effects of a growth mindset intervention on the beliefs about intelligence, effort beliefs, achievement goal orientations, and academic self-efficacy of LD students with reading difficulties [University of Virginia]. <https://doi.org/10.18130/V3DC8V>
- [2] Bridging_the_Gap_Growth_Minds.pdf. (n.d.).
- [3] Diener, C. I., & Dweck, C. S. (1978a). An analysis of learned helplessness: Continuous changes in performance, strategy, and achievement cognitions following failure. *Journal of Personality and Social Psychology*, 36(5), 451–462. <https://doi.org/10.1037/0022-3514.36.5.451>
- [4] Diener, C. I., & Dweck, C. S. (1978b). An analysis of learned helplessness: Continuous changes in performance, strategy, and achievement cognitions following failure. *Journal of Personality and Social Psychology*, 36(5), 451–462. <https://doi.org/10.1037/0022-3514.36.5.451>
- [5] Dweck, C. (n.d.). *Mindset—The New Psychology of Success*.
- [6] Dweck, C. S. (1975). The role of expectations and attributions in the alleviation of learned helplessness. *Journal of Personality and Social Psychology*, 31(4), 674–685. <https://doi.org/10.1037/h0077149>
- [7] Growth Mindset—Measurement of Scale—Updated 27032021.pdf. (n.d.).
- [8] Ibarra, H. (2018). Satya Nadella at Microsoft: Instilling a Growth Mindset. 22.
- [9] Lyons, P., & Bandura, R. (2018). The intersection of mindsets and self-regulated learning. *Development and Learning in Organizations: An International Journal*, 32(2), Article 2. <https://doi.org/10.1108/DLO-01-2017-0001>
- [10] Hutcherson & Sofroniou, I. p.-2. (n.d.).