

R&D and Firm Size in the Small Industry Sector in India

*Dr M. H. Bala Subrahmanya,
Dr M. Mathirajan & Dr P. Balachandra*

Abstract: The relationship between Research & Development (R&D) and firm size is a widely contested research issue. Research findings on this issue are contradictory and diverse. This paper presents an empirical analysis of this relationship in the context of the small industry sector in Karnataka State of India. The analysis is done in terms of R&D objectives, sources, dimensions, inputs and its variance in relation to firm size in the small industry sector. In addition, it probes the relationship between R&D and factor productivities. The paper concludes that when the R&D activities and related factors are similar in nature, R&D intensity exhibits a negative relationship with both firm size and factor productivities.

Dr M.H. Bala Subrahmanya, Assistant Professor, (author for correspondence), **Dr M. Mathirajan**, Senior Scientific Officer and **Dr P. Balachandra**, Scientific Officer are in the Department of Management Studies, Indian Institute of Science, Bangalore.