

- (5) It minimises accidents said to be increasing as unskilled and semi-skilled workers are more to industrial accidents.
- (6) Training reduces fatigue.
- (7) Training enables the workers to work speedily and thus increases the earning of employees.
- (8) When the speed of production increases, overtime work can be avoided and therefore, the payment of overtime does not arise.
- (9) A trained worker does not feel the need to join other factories and thus reduces the labour turnover.
- (10) Training improves the good relations between employees and management.
- (11) New techniques can be easily adopted through trained employees.
- (12) Standardisation can be adopted in a factory where trained employees are available.
- (13) Team spirit and team work can be promoted when employment are fully trained.
- (14) Training enables employees to occupy higher positions of authority.
- (15) As trained workers do not require any consolation and because of less spoilage resulting from their performance, the supervision cost can be minimised.

### **Objectives of Training**

The training programme is designed to subserve the following objectives:

- (i) To impart basic knowledge about the industry, product and production methods;
- (ii) To build the necessary skills of new entrepreneurs and workers;
- (iii) To assist the entrepreneur/worker to function more effectively in his present position by exposing him to the least concept, techniques and information;
- (iv) To build up second line of workers and prepare them to shoulder additional responsibility and/or switch on to the production of a new product, if there is any diversification;
- (v) To expose the entrepreneur to the latest developments which directly or indirectly affect him;
- (vi) To broaden the vision of entrepreneurs by providing them suitable opportunities for an interchange of experiences within and outside an industry;
- (vii) To impart customer education;
- (viii) To impart knowledge of the marketing of goods.

The Principles of training may be enumerated as under:

- (1) Training should be given in a proper atmosphere and that too systematically through duly qualified and trained instructors.

## CHAPTER 14

# ENTREPRENEURIAL DEVELOPMENT TRAINING

### **Introduction**

All individuals have a need for training; new recruits need induction into the rationale and objectives of their jobs, besides being trained in specific skills and routines. New professional staff may need to undergo additionally programmes of training to enable them to improve their professional qualifications. Certain individuals may need training for a specific purpose, the development of a new service, taking on a new role in the organisation, preparing for retirement.

But, in a world where development and promotion happen more rarely, everyone still needs training, or rather needs it even more; if a job at any level becomes drudgery, then it cannot be effectively performed. The role of training is to develop the critical awareness of staff and prevent in-growth. An employee who can make some appraisal of her or his role, compare the situation of colleagues elsewhere, and feel that management promotes this process, is likely to feel satisfaction in the job, however great the constraints on achievement. And job-satisfaction is a clear way towards effectiveness; if individuals at all levels can contribute towards the formulation of goals — then those goals are more likely to be the most appropriate in the context.

### **Importance of Training**

The importance of training employees has the following advantages:

- (1) It makes sure the availability of skilled workers at all levels of management.
- (2) It increases the potential abilities of workers and thus improves their performance to the maximum attainable level.
- (3) It enables workers to perform the work more efficiently and precisely so as to maintain the quality of products.
- (4) It minimises excessive scraps, defective outputs and wastage in the production process.

- (2) Training should be of reasonably long duration so as to enable the workers to understand the theory and develop skills for managing the job accurately.
- (3) Training should be given at all levels. This means training programme of a factory should include induction training; job training, training for promotion and refresher training.
- (4) The level of training should be high. It must be comprehensive and the participant should be made familiar with the latest trends in production technology.
- (5) Training should consist not only of theory; it should be supplemented by practical training and made interesting to all participants.

### Methods of Training

The following are the important methods by which training may be imparted:

- (1) *Individual instruction*: Under this method, a single individual is selected for training. This mode of training is undertaken where a complicated skill is to be taught to an individual.
- (2) *Group instruction*: This mode of training is suitable for a group of individuals with a similar type of work and where general instructions are applicable to all are to be given.
- (3) *Lecture method*: Here the instructor communicates in theory the practice to be followed by the learners. Under this method, whenever there are any doubts, they may be clarified on the spot.
- (4) *Demonstration method*: Where the performance of work is to be shown practically by the instructor for better understanding, this method can be followed. This is more concerned with the practical than theoretical aspect.
- (5) *Written instructional method*: The medium of training is followed where a future reference is to be made by the learners. This method is mostly followed where a standardised production system is followed.
- (6) *Conference*: Conferences are frequently organised wherein experts in the field share their ideas and bring to the notice of learners new ideas and techniques to increase production.
- (7) *Meetings*: Meetings are a mode of training involving a group of people who discuss the various problems confronting them. They involve exchanging ideas and views and later on, coming to a firm conclusion based on the various proposals and alternatives.

Small-scale industries in India suffer from various handicaps one of the most important among these is the non-availability of technical and managerial personnel of the required calibre. On the Contrary, large-scale industries can employ qualified staff specialised in different areas of production and management. Further, they can afford to retain from time to time their own supervisory personnel and workers. As against this, the small industrialist cannot afford to employ workers and supervisors having a sound educational background and the requisite experience in production and

in trade. Besides, they do not have the equipment and resources to train their own staff. To meet this lacuna, the training of small industrialists and their workers has been taken up as an important part of the Industrial Extension Service rendered by the Development Commissioner, Small-scale Industries Organisations. The courses provided are designed to familiarise small industrialists and their workers with the latest tools and techniques in their respective fields. The object of the training of personnel for and from small-scale industries is to equip them with improved management/technical know-how and to apprise them of the kinds of assistance available from various Government organisations training programme of such personnel is suitably geared to the needs of individuals with different background and performing different functions.

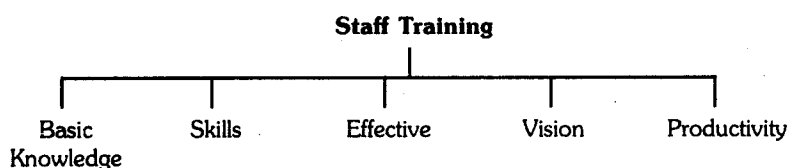


Fig. 14.1 Objectives of Training

The training of instructors at various levels was a *sine qua non* of the programme. Besides training officers of the DCSSIO, it became imperative that State Government officers, entrusted with the development of small-scale industries, should be given similar training, since the development of small industries is a State subject under the Constitution. Indeed, the training programmes of this organisation commenced with orientation training for its own officers in charge of the Pilot (industrial) Projects under the Community Development Programme, the small-scale Industries Organisation has extended the benefit of its training resources and programmes to other developing countries which, being interested in the development programme of small-scale industries, have been deputing their officers for participation in training programmes, study visits, etc., specially arranged by it for them.

In the post-independence period the nation laid stress and put its faith in science and technology. The country has made tremendous investments in scientific institutions and scientific and technical manpower. These investments need to be harvested. We have learnt that the managerial skills necessary to harvest business are different from the skills required to create businesses. Similarly, to create technology enterprises we may also require different kind of managers in our science and technology institutions. Development of technical entrepreneurship and the management of science and technology cannot be dealt with in mutual exclusion.

### Training in Technical Trades

Regular ad hoc training courses in various technical trade are conducted by Small Industries Services Institutes, Branch SISIs, Extension Centres and Production Centres for Artisans, both skilled and semi-skilled, sponsored by small-scale industries for upgrading their existing skills and broadening their areas of competence to meet the specific requirements of small-scale industries.

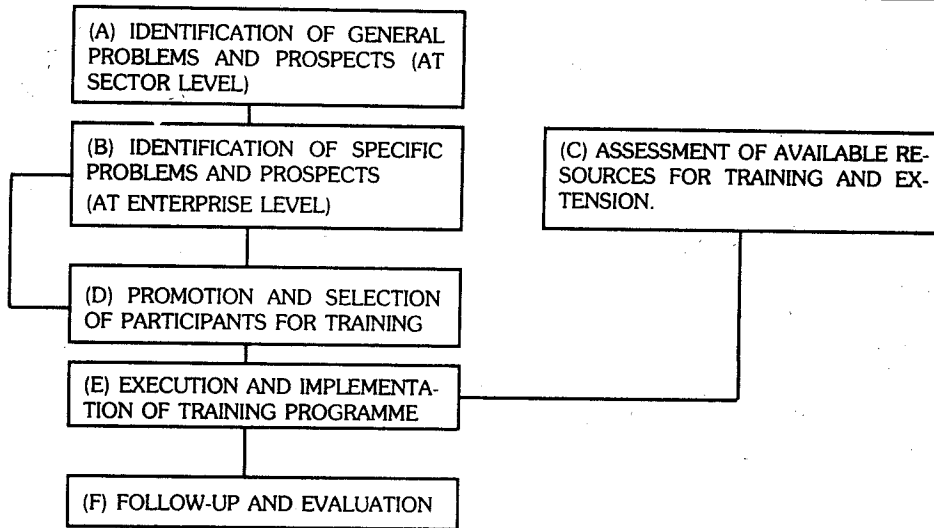


Fig. 14.2 Building up an Action-oriented Training Programme.

**Stage of Growth**

The training contents will largely depend on the stage of growth of entrepreneurs. Entrepreneurs of the small industry and small business are usually owner-managers. In the beginning stage, they are more concerned with the start up work and at this stage they play the role of workers rather than that of a manager.

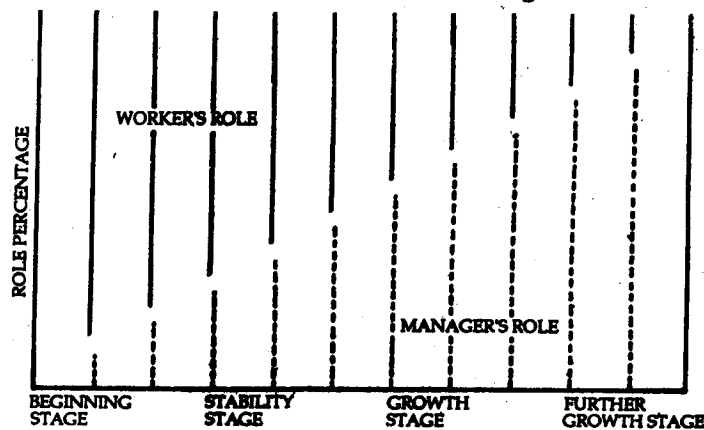


Fig. 14.3 Role of SSI Entrepreneurs

But as soon as the industry attains stability in terms of production/service, entrepreneur starts planning its growth and improvement. At this stage, his role as a worker gradually diminishes and proportionately the manager's role increases. Finally, with the growth of the industry, manager's role starts dominating. Thus, the role of small entrepreneur is a dynamic one and follows a continuum between worker's and manager's roles.

In order to maintain efficiency both as a worker at the initial stage and as a manager at the later stage, to those entrepreneurs who are the outcome of some planned programme, such preparations come mainly through training. Usually as the part of the entrepreneurship development programme, they receive motivational training and financial management. This works well at the initial stage. Later on, they require another training intervention with advance level of management inputs to shoulder the increasing managerial responsibility. But if the advanced managerial training is provided at the initial stage, it may not be that effective since most of the selected entrepreneurs have neither academic endowment to comprehend them nor practical experience to relate them in a real life situation. This has two implications. One is that training may be considered continuous process not only for stimulating but also for supporting and sustaining entrepreneurial pursuits. Another implication suggests comparatively simpler management inputs in the initial in the training for EDPs. These points must be considered while finalising model syllabi for EDTPs.

#### **Variability in Audience Background and Environment**

Besides stage of growth, the target audience themselves vary in terms of their background, experiences, training and exposure to the business world. These variabilities demand for the matching training inputs with varying degree of intensity to bring these entrepreneurs to inputs with varying degree of intensity to bring these enterprise and be able to manage them successfully. For example, a group of MBA entrepreneurs may require less intensity on management skill development input as compared to other aspects. Similarly, for a group of entrepreneurs who want to set up considerably larger units may require higher intensity on management skills rather than those who are going to set up comparatively smaller units. Therefore, while formulating training syllabi for EDPs, the variability in the audience background experience and training inclusive of economic and infrastructure development of the area deserve serious consideration.

#### **Details of Project Implementation**

As an integrated approach in the promotion and development of entrepreneurs in the rural areas, the EDP consists of the following phases:

(a) Selection of the area from existing socio-economic reports and government policy guidelines.

(b) A techno-economic survey in the selected area to identify the opportunities for new and expanded industries in terms of existing enterprises, natural resources, labour and raw material availability, and potential markets. Feasibility study on selected types of industry with good prospects will be carried out, including preparation of industry profiles for industries with investment opportunities.

(c) Identification of potential and existing entrepreneurs who are interested to diversify or expand their business through the use of predetermined recruitment and selection scheme.

(d) Training of these potential and existing entrepreneurs to increase their motivation and equip them with the skills in management, project feasibility study and

project preparation, as well as to familiarise them with the prevailing business environment.

(e) Provision of follow-up and consultancy services in the areas of management, marketing, production, financing, technology, preparation of project, apply for loans, and upgrading of existing entrepreneurs by providing in-plant training.

### **Selection Scheme**

(a) *Historical development and rationale for selection:* Before the EDP was launched, there was a programme to identify, select and include entrepreneurs to increase the likelihood of programme success. In undertaking EDP, the government has to provide considerable human and material resources. These expenditures are considered worthwhile in view of the significant role entrepreneurs play in the economic development of their country. The proper identification and selection of participants for training is seen as an instrument to enhance the success of the EDP.

The EDP selection scheme is so designed that admission to the EDP is limited to the top 25-30 applicants who are presumed to possess the traits or qualities of potential entrepreneurs.

The selection scheme was based on the assumption about the entrepreneurial characteristics which were considered to be generally accepted. The general and principal requirements to be met by an applicant for training are:

(i) *Biographical:* Demographic and socio-cultural data of the applicant to assess his readiness for the entrepreneurial role, such as age, educational background, work and business experience, type of business operation, financial resources, equity participation and labour intensiveness are essential.

(ii) *Motivation of the applicant* for attending the EDP, such as exposure to business, sibling position, reasons to go into business, source of encouragement and support to the entrepreneur, concreteness of plans, credibility and endurance.

(iii) *Psychological test* in the field of entrepreneurial traits such as risk-taking, need for achievement, and other relevant traits.

(b) *Promotions and recruitment:* In preparing the EDP training course, the information on the EDP is disseminated to entire public so that enough applicants are generated for screening. The assistance of local government agencies concerned in the development of the area, local banks, chambers of commerce, service clubs and some types of industrial forum are tapped in identifying target participants. The commencing of the training programme is usually announced by various means of advertisement, e.g., local radio, television, the local various means of advertisement, e.g., local radio, television, the local newspapers and posters. Brochures on the programme will also be distributed to local businessmen and individuals interested in going into business. They refer to the integrated package of assistance through the EDP, and is an opportunity for discussions with participants from other provinces who have benefited from EDP training.

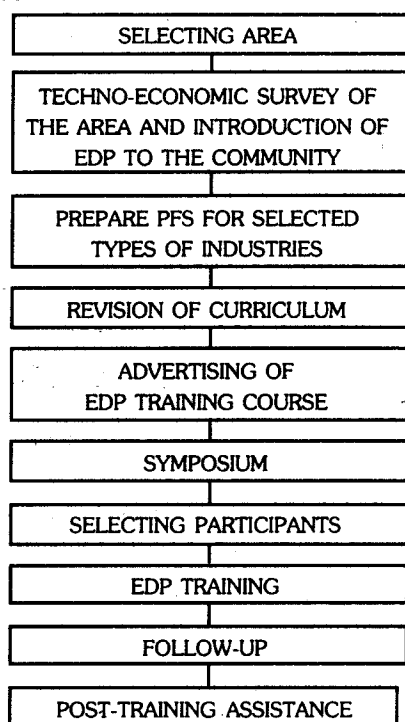


Fig. 14.4 EDP Flow Chart

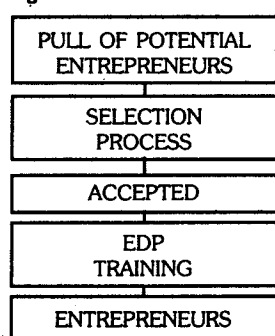


Fig. 14.5 Entrepreneur Selection Process

factors affecting small-scale industries, the role of entrepreneurs in economic development, entrepreneurial behaviour and the facilities available.

(b) *Motivation training:* Motivation training is a three-day live-in-module aimed at increasing the participant's level of achievement and confidence and developing the right attitude and behaviour toward business. Successful entrepreneurs are invited to speak about their experience in setting up and running a business.

(c) *Essentials of management:* This module is aimed at providing participants with basic management and technical know-how required to enable them to operate their business enterprise effectively and efficiently. It consists of the following subjects:

(c) *Selection procedures:* The selection scheme consisted of a three-step process:

(i) Each applicant completes an application form which probes into his family background, education, work and business experience, business plans and financial resources.

(ii) The applicant is interviewed as to his motivation in becoming an entrepreneur, entrepreneurial potential, and desire to participate in the programme.

(iii) The applicant takes a psychological test which aims to measure entrepreneurial traits such as need for achievement, risk-taking, need to influence, optimism, and other relevant traits. Fig. 4.5 shows the process of selection.

A decision to admit an applicant to the EDP wholly depends on selection results. The number of participants to attend the training course are limited to a maximum of 30 persons per course.

#### Training Programme: Course Content and Curriculum

The EDP training will be set up according to the training needs of participants, who are both existing and potential entrepreneurs, and industrial prospects of the area. The training programme lasts for four weeks, and consists of six modules.

(a) *Introduction of entrepreneurship:*

This module covers general knowledge on factors affecting small-scale industries, the role of entrepreneurs in economic development, entrepreneurial behaviour and the facilities available.



- (i) General management.
- (ii) Marketing management.
- (iii) Production management.
- (iv) Financial management.

(d) *Fundamentals of project feasibility study*: This ratio provides guidelines on the effective analysis of feasibility of the project in view of marketing, organisation, technical, financial and social aspects.

(e) *Organising the business*: The purpose of this module is to enable participants to know the environment in which they will operate their business. This covers such aspects as government incentives, industrial opportunities, policies, business laws and regulations, etc.

(f) *Plant visit*: Plant visits are necessary to familiarise the participants with real life situations in small business. Such trips also provide participants with opportunities, to learn more about an entrepreneur's behaviour, personality, thoughts and aspirations, including his plans and projects.

The training method is a combination of group dynamics, lecture discussions, case studies, actual preparation of project assignment, and workshop exercise.

#### **Course Duration and Schedule**

The training programme is a 25-day course. Except for the achievement motivation training (a three-day live-in module), the daily programme consists of 2 sessions/day. The lecture sessions are conducted daily during the day or in the evening, depending on the opinion of people in the target area gathered during the industrial potential survey.

#### **German Experience**

The worldwide acclaim achieved by the German companies has been due to the rapid adaptation to change and restructuring the training accordingly. The common features of restructuring are:

- (1) Broadbased training to start with, followed by specialisation. This has led to a reduction in the number of trades.
- (2) Development of multi-craft skills.
- (3) Development of unique training modules and units.
- (4) Industry's lead and initiative in restructuring the training.
- (5) Change in complexion of the workforce leading to more skilled workers.
- (6) Retraining programmes for skill upgradation of the existing workforce, and
- (7) The overall personality development of the workforce through emphasis on 'key qualifications' which will equip the workforce with the ability to cope with change. This is illustrated in the diagram.

Two important recommendations emerged when there was an interchange of German and Indian experiences, through a workshop organised by the Confederation of Engineering Industry.

**Multi-skill Concept**

(1) The pattern of Indian training system needs to be overhauled. This is needed particularly in respect of offering broad training with limited number of trades and offering specialised modules in tune with the hitech requirements. Also, the multi-skilled concept which is fast emerging as a response to hitech needs would necessitate this approach.

(2) At the operational level, the modification of the existing training programmes to include the allied elements. In particular, the maintenance aspect has been much stressed, whether it be mechanical, electrical, electronics or the processing sector.

To make training successful, the German experiences point to the absolute necessity for developing good training materials and updating the instructors on their use.

**Japanese Approach**

In total contrast to the German approach, the Japanese place little accent on formalised institution training. On the other hand, tremendous emphasis is laid on "on-the-job" training. The primary objective of job training is to bring about a change — an increase in knowledge, the acquisition of a skill, or the development of confidence and good judgement. Job training is not successful unless the person can do something new or different or demonstrate a change in behaviour.

There are three dimensions in each job that an employee must master in order to perform effectively knowledge, skill and ability.

Knowledge refers to the information that is needed to perform a set of activities efficiently and effectively. Skill refers to the techniques, the approaches, and the styles of translating knowledge into action or practice. Ability refers to the intangible qualities or characteristics that are necessary for performance and are often referred to under the umbrella of 'motivation' or 'attitude.'

Job training is structured to consist of both formal and informal activities that address each of these three dimensions — knowledge, skill and ability — and the goals of training made clear enough so that the trainee understands what outcome or behaviour is desired.

In trying to solve job related problems, often the Japanese employees are encouraged to communicate their own training needs so that these can be arranged. This is in direct contrast to the practices prevalent in many factories here, wherein every one participates in determining the training needs of a person excepting the person himself.

For example, through the participation as members of Quality Circles, in the process of problem solving, the employees may identify specific skill needs to improve product quality. These are then arranged to be provided.

**Table 14.1**  
**NEW TRAINING TOOLS**

<i>No.</i>	<i>Level</i>	<i>Tool</i>	<i>Use</i>
1.	Top & senior levels	ZOPP	Realistic organisational diagnosis and action plans to overcome problems.
2.	Middle level managers	Blockage concept	Identifying and helping to remove blockage to competency, "empowering" them for greater effectiveness.
3.	Work force	Modular training	Adaptation to hi-tech integrated approach to Operation & Maintenance.
4.	Cross-functional	The New Seven tools of QC	To ensure better product quality and meeting customer expectations.

### **Entrepreneurship Development Programme Organisations**

There are several organisations engaged in conducting entrepreneurship development programme in India. The lead in the matter was given by the Small Industries Development Organisation through its service centres. Entrepreneurial development in Gujarat has been conducted for a long time, and sophisticated selection techniques and training methodology have been developed. The programme has integrated identification and training of potential entrepreneurs, identification of viable industrial projects and developing managerial capabilities. Institutional support in the areas of finance, infrastructure, etc. is also linked with the programme.

Other organisations that have been actively conducting entrepreneurship development programmes are State Bank of India; financial institutions such as IDB; Entrepreneurial Motivation Training Centre in Northern-Eastern Region; Xavier Institute of Social Services, Ranchi; industrial consultancy organisations in various states; Centre for Entrepreneurship Development, Ahmedabad; State Financial Corporations; the Centre for Entrepreneurship Development, Hubli; Small Industries Extension Training Institute, Hyderabad; National Science and Technology Entrepreneurship Development Board etc.

The need for a national organisation to serve as an apex body to coordinate training programmes of various centres and organisations in the country, to train trainers and motivators in entrepreneurship development, to prepare model syllabi training for various target groups and target areas, etc. was felt, with a view to evolve an integrated national approach to this subject.

### **Entrepreneurships Development Model/Promotion**

#### **Pre-requisites for EDP**

The entire infrastructure of an area should be reviewed. Entrepreneurs require a variety of assistance and support in arranging finance, plant and machinery, land, readymade sheds, power, raw materials and finally information relating to industry. The support activities provide nurturing and help entrepreneurship to grow and survive. The inadequacy of support system may impede provision of timely help to entrepreneurs. The co-ordinator of the entrepreneurial training programme should arrange meetings of various developmental agencies to elicit their co-operation.

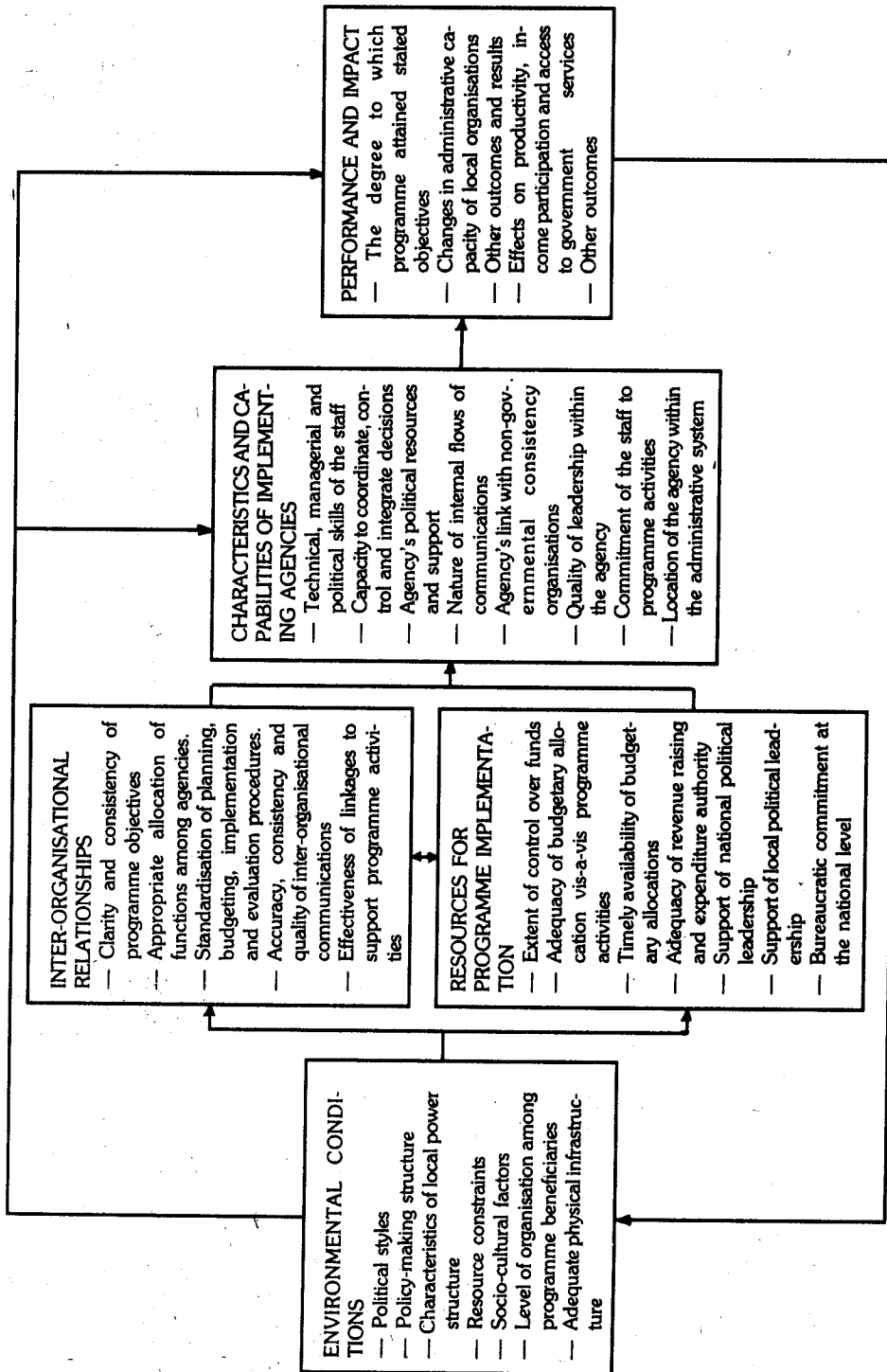


Fig. 14.6 Factors Affecting Implementation of Entrepreneurial Development

### **Survey of Entrepreneurial Opportunities**

It consists of identifying viable industrial activities and enterprises based on demand and resources and the extent of competition. Although the emphasis is to be given to demand of an area, the adjoining areas having linkages and the requirement of a region should also be considered. The objective of a survey is to identify opportunities in industries and other allied activities which offer a promising future for entrepreneurs.

### **Selection of Entrepreneurs**

Selection methodology is a critical input in the entrepreneurship development scheme. If the entrepreneurs are not properly selected, the entire programme can be defeated; and this has a direct bearing on success rate.

A number of techniques are employed for selecting entrepreneurs. The selection procedure to be adopted by an organisation should be based on sound theoretical background and standardised tests administered by experts. In India, several institutions of repute administer scientific tests such as Thematic Appreciation Test, Entrepreneurial Capacity Test, etc., followed by personal interviews. When entrepreneurs are selected, chances of drop-outs are minimised and entrepreneurial training becomes effective for the achievement of goals and objectives.

### **Inputs for Entrepreneurship Development Training**

The objective of the programme of training in entrepreneurship development is to develop motivation of potential entrepreneurs, help them in taking up suitable enterprises and activities, enable them to prepare economically viable and technically feasible project reports and enhance their enterprise-building skills. The motivational inputs include psychological games, tests, goal-setting exercises and role play. The objective of these inputs is to enable the participants to do a self-study, understand their own entrepreneurial personality and behaviour and bring about changes in self-concept, values and skills, leading to positive entrepreneurial behaviour.

The training programme further enables entrepreneurs to develop skills in identifying suitable items for manufacture which will give good returns. The technique of conducting studies, market surveys and research should further be covered in the programme of training based on which project reports have to be prepared. For organising an industry, information on government policies and programmes is helpful to the entrepreneurs. A number of institutional agencies offer the necessary infrastructure for putting up plants. Some countries have also introduced schemes of incentives and concessions available to entrepreneurs. A programme for training for entrepreneurship development should also cover information on programme of assistance and support systems.

Any training programme should not only develop proper entrepreneurial motivation and skill but should also ensure that entrepreneurs are able to develop their enterprises well by scientific managerial techniques and contents in various fields of management — financial management, marketing management, production management, inventory control, labour laws and taxation.

There is also the need for visits to the industrial units, consistent with the items identified by the entrepreneurs, to gain more knowledge on production processes and machines required for the purpose. Facilities for in-plant training will further heighten the usefulness of the programme, particularly when the enterprises are very small or in areas where there is paucity of skilled personnel.

### **Support System**

Individuals and organisations which provide assistance to entrepreneurs constitute a support system. Experiences in India have demonstrated that the calibre and willingness of a support system greatly influences the success of a programme. The various agencies of the support system should be involved in the training programme from the selection process to training and follow-up. The organisation conducting the training should be associated with these agencies to ensure that timely assistance is available to the entrepreneurs.

### **Follow-up**

It is as important to take up follow-up measures after conducting entrepreneurial development courses. Some of the institutions in the country have introduced cards for each trainee where progress is recorded from time to time. Project leaders contact the entrepreneurs by personal visits or otherwise to ascertain difficulties and to follow-up their needs with the appropriate agencies. Regular system of reporting should be developed to get feedback on the performance of entrepreneurs.

It has been envisaged that while the basic structure will remain the same, the degree of emphasis could vary in such areas as in-plant training, theoretical training etc. depending upon the requirements of the target group.

Economic activities are directly linked with the entrepreneurial level of a nation and, therefore, entrepreneurship development is a critical input for industrial and business development efforts of a country. Need for entrepreneurship development training has been established and the above model could be adopted considering the local parameters.

### **Work Plan**

After the final survey and investigation were carried out, an action plan was formulated with the following objectives:

- To create an atmosphere of confidence so that the owner manager would be willing to receive comprehensive assistance in management and technical development of his organisation (training in new technologies, *i.e.*, in electrical and oxi-carbide welding, and in addition, training in business management, *i.e.*, cost calculation);
- to collect further information about the participating sector/industries;
- to develop cooperation with larger industries;
- to gain further experience in on-the-job and group training; and as a secondary objective;
- to provide on-the-job training and practical instruction to junior extension officers.

The work plan was presented to the selected cooperating partners. These were the local office of the Ministry of Industries and the Metal Industries Development Centre (a national extension and research institution). After informal adoption of the plan, the various partners were contacted officially and the plan set into motion.

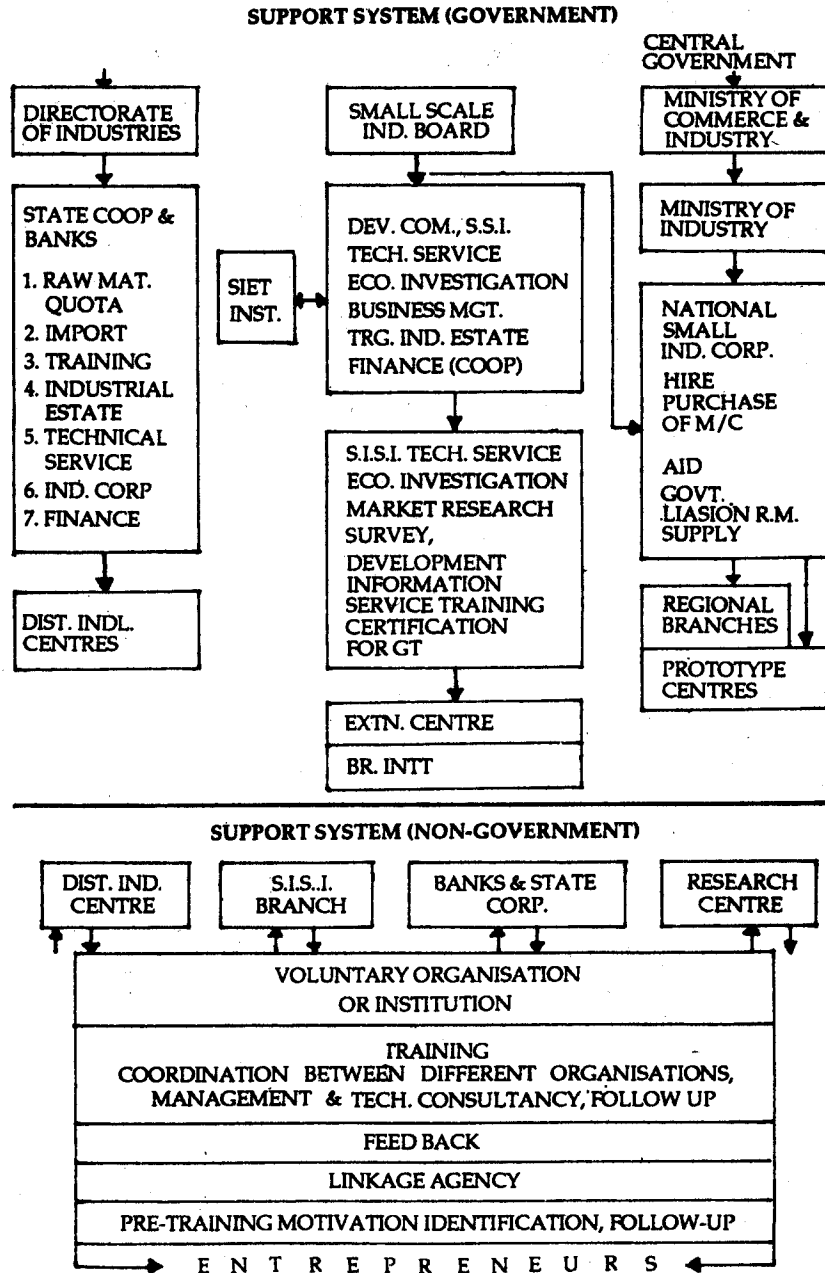


Fig. 14.7 Support System

The main steps in the plan were:

- *promotion* at individual level (enterprise level) of the work plan: 15 enterprises were approached, and interviews were held with their owners/managers;
- *selection* of a maximum of 10 enterprises that would participate in the training programme under condition to provide the necessary materials and equipment;
- *on-the-job training* at plant level on an individual basis, followed and complemented by a half day's training on cost calculation;
- follow-up visits after the training. (See Fig. 14.8)

Attention was also paid to improve existing techniques and the working methods and new techniques that could be executed with the available tools and equipment. Both the owners and the workers participated in the instruction. Visits to the individual enterprises were interrupted after a few days by brief sessions with the entire group. Ideally the whole group should come together in the plant of one of the participants to see how the other is working; but so far a fear of letting the enemy intrude into your establishment has prevented this.

It was noteworthy that the common interests and common problems (encountered during the individual visits) contributed towards group cohesion during the group sessions characterised by open discussions. On this basis the group becomes more receptive to new ideas presented by the instructors (specialists in technical, management and financial fields).

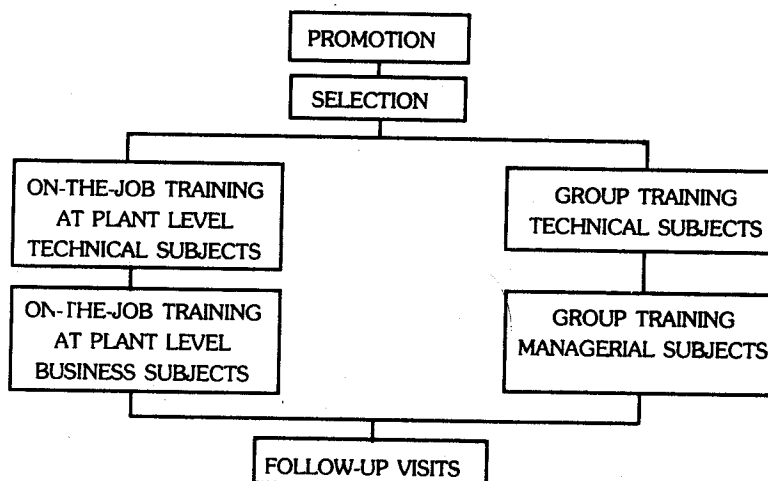


Fig. 14.8 Work Plan for Action-oriented Training

The *training methodology* was oriented towards:

- building up a level of understanding with the entrepreneur and his business;
- discussions of problems and bottlenecks;
- training-cum-assistance in new techniques;



- introduction and practising of new techniques (also on repair of equipment);
- demonstration of related management concepts. Participants received half a day of classroom instruction and half a day on cost calculation;
- group instructions afterwards to discuss common problems, and aspects of a more general nature.

The follow-up visits to the participating enterprises form a logical complementary activity. Through such visits it is possible to guide the entrepreneur with the “translation” of all that has been presented to him into practical application. Follow-up visits take place shortly after the training sessions and after longer intervals (of 3 to 6 months) but on a regular basis. While the first visits are concerned with guidance during implementation, the later ones can be seen as evaluation visits.

### **Benefits of the Training Process**

(a) *The training:* The combination of on-the-job training and consultancy with group training during rather a short time (three weeks) is an effective strategy.

- The entrepreneurs/participants demonstrate a willingness to improve existing working methodology and techniques and learned the possibilities or limitations in the use of equipment;
- They are more aware of the need to develop and introduce new products and production techniques; and relationship of theory to the situation in their workplace;
- They demonstrate a growing awareness of the relationship between technical problems in their enterprises and management and control;
- During the group training, an opportunity is created to exchange experiences and problems and questions that were observed or arisen during the visits to the enterprises.

(b) *Level of instruction:* Through the mix of on-the-job training and group training, but mostly through direct contact between the entrepreneur and the instructor at the work floor of the former, the instructor usually speaks the language of the entrepreneur. The instructor had to adapt himself to the client, to the entrepreneur, and to think at his level while searching for new methodologies and solutions for problems observed. This contrasts with formal training programmes where the participants have to adjust themselves to the trainer and his environment, and where the participants are left afterwards with the burden of re-entry into their system with the new knowledge. The entrepreneur feels himself more at ease in his own environment where he is the boss; and with that self-confidence he often feels more comfortable in questioning the trainer/instructor about the things he himself considers to be of interest.

(c) *Mobilisation of resources:* Within a limited time, the identification of the pertinent resources on contract terms for the training programme was initiated. Successful negotiation with a state technical training institute resulted in the contracting of three professionals for the three weeks of the course. This was mainly possible through the availability of a budget, and the possibility to decide on the use of that budget without approvals and endorsements of third parties or higher authorities. With

this the mobilisation of resources through contracts approved at local level directly was made. Furthermore, the contribution of the larger industries was ensured, which resulted in the release of one instructor for a three-week period at no cost. Although his participation was of high value, his release by the large industry was a marginal cost, and was seen as a contribution to the development of the area (social investment by the large industry, also to improve their general image). Unfortunately, it was not possible to use the workshop facilities of a particular industry.

**Table 14.2**  
**COST ASPECT OF TRAINING THROUGH SUBCONTRACTORS VS.**  
**TRAINING BY THE INSTITUTION ITSELF**

	<i>Subcontracting arrangements</i>		<i>Institutionalised operations</i>	
	<i>Recurrent cost</i>	<i>Incidental cost</i>	<i>Recurrent cost</i>	<i>Incidental cost</i>
(1) Professional manpower	Low	High	High	Low
(2) Administrative support	Relatively high	Low	Low	Low
(3) Logistic support	Low	Low	High	Low
(4) Material cost	Low	Low	High	Low
(5) Follow-up	High	Low	High	Low
(6) Staff training	Low	Low	High	High

It became evident that even governmental services could be mobilised and integrated into the programme at the working level. Approaching the government at higher level for official approval and release would have been less attractive, because such activities are normally not foreseen in annual plans and budgets, nor do the budget cater for such additional expenditures.

(d) *Cost effectiveness*: One of the major objections raised against the individualised training approach (albeit for a group of trainees) like the one described here, is related to the cost aspects. It is often claimed that the costs of group training alone (without consultancy and the like) are considerably less than the consultancy-cum-instruction technique. This, however, is not at all that obvious.

In the field of training in the small-scale enterprise sector, we see the following principles being adopted more and more:

- Training of entrepreneurs is seen more as a process of transfer of know-how;
- More attention is being paid to the process of adult learning instead of just setting university and college courses;
- Training programmes are more individualised, with special attention to the individual training needs;
- Training programmes are becoming more practice-oriented, with more attention being paid to on-the-job training aspects.
- Consultancy and extension are seen more and more as a part of the process of transfer of know-how; and

- More attention is being paid to ensuring active participation of both the entrepreneur and the “instructor.”

### Conclusion

Training refers to the process of increasing knowledge and skill of an employee for doing a particular job. Soon after a worker is selected and inducted into a job, we may not expect full contribution from him initially in attaining the objective of the factory, as he is just a “raw” human resource. For ensuring satisfactory job performance, training is essential at all levels of management. Training serves not only the purpose of motivation but also as a means of developing various methods of work. The terms “training” and “development” are often synonymously used. But there is a difference between the two. While training is viewed as a process by means of which the aptitudes, skills, and capabilities of an individual employee to perform a specific job are enhanced, development implies the nature and direction of change induced in the employee through the process of education and training. Several factors have increased the adoption of training and development schemes of factories.

It is obvious that the achievement in rural areas is contingent upon the evaluation of a national training policy, the creation of a national training infrastructure, the formulation of suitable co-ordinative mechanisms at all levels, the acceptance of manpower planning and budgeting as the basis for training programmes, the developments of multiple skill courses, acceptance of area planning approach for training institutions at district and block levels, at the cutting edge level. Unless a massive training programme is organised to support ambitious rural development programmes, the goal of full employment may not be achieved within the stipulated time.

More importantly, the government and the development financial institutions are in the forefront in entrepreneurial development. However, experience shows that the various training programmes of these institutions are aimed at training people to take up self-employment and acquire gainful employment. Thus, the very purpose of developing entrepreneurial talent among the youths is defeated. This calls for a critical evaluation of EDPs and to develop personnel with conviction and commitment to undertake the task of planning, designing and implementing programmes for entrepreneurship development. More importantly, these programmes must be attuned to Indian economic environment and be made available in regional languages. Overall, business will need to reappraise its own role in designing new ways of preparing young people for the entrepreneurial challenge of the 21st century. There needs to be new kinds of partnerships between institutions and training and development. Every one concerned should strive to achieve the goal of adopting education to the diverse entrepreneurial needs of the next millennium. The need of the hour is to develop genuine entrepreneurs accelerate the process of industrialisation. The need of the hour is for stimulating innovation and the entrepreneurial spirit to support the development of new ideas through new and mature enterprises.

## ANNEXURE I

## A PROGRAMME OF TRAINING SMALL INDUSTRY ENTREPRENEUR — MANAGERS

<i>Types of Individuals to receive training</i>	<i>Types of training measures required</i>	<i>Sources of personnel to staff training facilities</i>	<i>Means of Training the Trainees</i>
<b>FULL-TIME</b>			
Typical managers of small factories or other planning to establish such factories.	Short courses	(a) Staff members of advisory services operated by Governments, associations or other bodies.	(a) Joint use can be made of facilities provided for manager training, e.g., short courses advanced management course, self-educational measures.
Exceptional managers of rapidly expanding semi-modern factories.	Advanced Management Courses (either national, regional or international).	(b) Staff members of educational institutions, development corporations, banks,	(b) Specialised training can be given to management training personnel in the institutions — either national or foreign — designed for large industry; e.g., in business, engineering or economics.
Manager candidates	Preparatory courses	(c) Foreign specialists.	(c) Internships may be possible in large industrial plants — national or foreign — to give practical training to prospective staff members.
<b>PART-TIME</b>			
All types	Self-education measures	(d) same as (a), (b) or (c) above (e) Managers of modern small factories. (f) Managers of medium and large-sized factories, banks, Utilities, etc., (g) Government officials (h) Members of professions:	