A STUDY ON THE EFFECTIVENESS OF ENTREPRENEURIAL DEVELOPMENT PROGRAMMES FOR THE DEVELOPMENT OF SMALL SCALE INDUSTRIES IN KERALA

THESIS
SUBMITTED TO THE UNIVERSITY OF CALICUT FOR THE AWARD OF THE DEGREE OF DOCTOR OF PHILOSOPHY IN COMMERCE

BY
PREMA. D.R.

UNDER THE SUPERVISION OF
Dr. K.B. PAVITHRAN

DEPARTMENT OF COMMERCE & MANAGEMENT STUDIES
UNIVERSITY OF CALICUT
AUGUST 2003

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AUGUST 2003

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CERTIFICATE

Certified that the thesis "**A STUDY ON THE EFFECTIVENESS OF ENTREPRENEURIAL DEVELOPMENT PROGRAMMES FOR THE DEVELOPMENT OF SMALL SCALE INDUSTRIES IN KERALA**" is the record of bonafide research work carried out by **PREMA D.R.** under my supervision and guidance and that neither this thesis nor any part of it has previously formed the basis for the award of any degree or diploma.

Dr. K.B. PAVITHRAN

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DECLARATION

I, **PREMA D.R.** do hereby declare that this thesis entitled "**A STUDY ON THE EFFECTIVENESS OF ENTREPRENEURIAL DEVELOPMENT PROGRAMMES FOR THE DEVELOPMENT OF SMALL SCALE INDUSTRIES IN KERALA**" submitted to the University of Calicut for the award of the Degree of Doctor of Philosophy in Commerce is a bonafide work done by me under the guidance of **Dr. K.B. PAVITHRAN** Professor, School of Management Studies, Cochin University of Science & Technology and that this has not been submitted earlier in part or in full to any other University for award of any degree or diploma.

D.R. Prema

PREMA. D.R.

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INTRODUCTION

CHAPTER - I

INTRODUCTION

The creation and operation of a small enterprise are perhaps not the easiest tasks for any entrepreneur who has put the mind and soul as also the savings if any, at stake in the hope of future prosperity. Small Scale Industries are by their very nature entrepreneur oriented. Entrepreneurs play a key role in the economic development of a country. The promotion of successful entrepreneurship is vital in the context of generating gainful employment, minimising the regional disparities and developing the economy. Entrepreneurship Development may be termed as the heart and mind of small scale entrepreneurship in India. It is essentially an educational process and an endeavour in human resource development. In a developing country like India, small business entrepreneurship plays a significant role in the economic development of the country. These industries by and large represent a stage in economic transition from traditional to modern technology. The survey and study on the growth of small scale industries revealed that there was faster development of engineering, chemicals, electronics and agro-based industries. Similarly, a large number of ancillary industries had been developed in the small and tiny sector. The entire success of this progress goes to the Entrepreneurial Development Programmes in India[1].

Till the early 60's, the Small Scale Industries Sector had been considered as an employment generating sector. It was during the late 60's that this sector began to be recognized as an instrument for tapping latent entrepreneurial potential. Small scale enterprise was a breeding ground for entrepreneurship. The rapid growth of small scale sector was mainly due to the entrepreneurship development. It was, therefore, in that context that an increasingly important role has been assigned for the identification and promotion of entrepreneurs to this sector. Realising the core importance of this sector, the Government of India has formulated industrial policies in favour of the entrepreneurs and been offering packages of incentives and extending financial assistance to them. Consequently a good number of financial institutions and the allied agencies have come into being to meet the needs of entrepreneurs.

There were many factors which generally affected the growth and functioning of entrepreneurship. These may include previous occupation, family background, caste, education, technical know-how, financial position, government help, personality traits of entrepreneurs etc. These factors not only go to make good or bad entrepreneur but ultimately affected the process of industrial development. Thus inorder to promote industrialization, it became necessary to develop congenial atmosphere and conditions which help to promote and nurture entrepreneurship.

The growth of entrepreneurship among the existing and prospective entrepreneurs has been widening the horizons of industrialization and economic development even in socially and industrially backward regions in India. Developing entrepreneurship has become a movement in India. It was cardinal and more crucial to industrial development than any other economic factor. It had got added relevance in a state like Kerala with its abundant infrastructural facilities, dire shortage of agricultural land and massive unemployment of educated youth. As Kerala claims the highest literacy rate and is educationally advanced, unemployment among the educated youth is a major issue disturbing the state[2]. It is a must that motivational training programmes are conducted to stimulate entrepreneurship in developing countries. Entrepreneurial Development Programmes (EDPs) are being offered by a large number of organizations with a view of bringing to the fore the latent entrepreneurial ability in various target groups and motivating the programme participants to establish their own enterprises.

EDP means a programme designed to help a person in strengthening his entrepreneurial motive and in acquiring skills and capabilities necessary for playing his entrepreneurial role effectively. Towards this end it is necessary to promote his

understanding of motives, motivation pattern, their impact on behaviour and entrepreneurial value. A programme which seeks to do this can qualify to be called an EDP[3]. Entrepreneurs cannot springout of nowhere but will have to be developed through proper training and on the job experience after selecting the persons with the right aptitude for such tasks[4].

The main objective of any entrepreneurship development activity is of course, to develop potential entrepreneurs, enabling and equipping them not only to establish their own new ventures but also to manage them successfully[5]. The first major systematic effort to identify and develop new entrepreneurs especially from non conventional community back grounds began in India in the State of Gujarat in 1970. Encouraged by the continued success of EDP activities in Gujarat, a number of Government and semi-Government agencies took up similar EDPs in their respective areas. EDPs should be predominantly oriented towards removal of local unemployment, alleviate local poverty, promotion of self-employment and entrepreneurship among women[6].

Since EDP is a process of developing entrepreneurs, the whole process should be evaluated to isolate the factors affecting success of the Programmes. By implication, each stage of an EDP, viz Pre-training, training and Post-training follow-up stage should

be evaluated concurrently. Such evaluation will indicate effectiveness of EDP process at every stage and help initiate corrective steps simultaneously. Though a few region-specific or organization specific studies have been carried out to evaluate these programmes, they were not exhaustive enough to pinpoint the effectiveness of the EDP strategy.

The basic characteristics of EDP as it has evolved so far are the following[8].

a) The training is result-oriented in the sense that the potential entrepreneur is expected to set up, after training and as a result of the training, his own enterprise- appropriate to his abilities and background.

b) Each EDP is treated as a laboratory experiment of learning how to conduct EDP better; without such an experimental approach it is not possible to evolve programmes suited to each target group in its specific context of location, culture, history and environment.

c) There is a firm commitment of its basic objectives by the financial institutions and industrial promotion agencies. This commitment expresses itself in providing professional support

to EDP- in permitting officials to take part in the training programmes and give advise, information and guidance without charging fees to potential entrepreneurs who are being trained.

1.1. Importance of the Study

The EDPs have been in operation in Kerala for the past few years and many prospective entrepreneurs were benefited from these programmes. In view of the growing importance to the small scale industries sector, it was time to make an empirical study on the effectiveness of EDPs on the development of this sector, so that the problems can be identified and improvements could be made in the light of experience. The present study was an attempt to evaluate the effectiveness of EDPs both qualitatively and quantitatively. So far studies in this area were not conducted in Kerala and in the light of this research gap, the present study will be useful to the training institutes, Government and policy makers as well.

1.2. Objectives

This study was conducted with the following objectives:-

1. To evaluate the effectiveness of EDPs in Kerala.
2. To assess the role of EDPs in self employment.

3. To conduct comparative analysis between EDP trained and untrained entrepreneurs.

4. To study the problems and difficulties encountering EDPs in Kerala and suggest measures for improvement.

1.3. Methodology

For the purpose of this study, Data were collected from both primary and secondary sources. Secondary sources included publications from the Training Institutions, plan documents of Government of India, various study reports of the State Planning Board and Department of Economics & Statistics, Government of Kerala, Directorate of Industries & Commerce, various journals in this field etc.

Primary data were collected through direct discussion and interviews. For collection of information from training institutions, a structured interview schedule was used. In addition to this, discussions were conducted with the various officials of training institutions, co-ordinators of EDPs, Management Trainers Managers and officials of DICs, Managers of Financial Institutions providing SSI loans and SSI branches of Commercial Banks, Industries Officers etc. For collecting primary data from three sample groups, separate questionnaires were employed. These

questionnaires were administered with multiple choice answers and the respondents were to tick an item close to his/her own opinion / belief. The questionnaires were first constructed in English only and then translated into Malayalam. The Malayalam version of the questionnaire was used because some of the small entrepreneurs knew only Malayalam.

Sample units included Job works, Manufacturing & Marketing and Service concerns as EDP was provided in all sectors. Sectorially units set up were divided into 3 categories according to the nature of business as manufacturing ie; undertaking only manufacturing and included job works in garment making, engineering, Aluminium Fabrication etc. The second group included units not only manufacturing products but also undertaking marketing of their products. Units in the service sector consisted of repairs, beauty parlours, screen printing etc.

1.4. Sampling Design

For the purpose of this study, a multi-stage systematic random sampling method was used for sample selection.

Ist Stage: Selection of Districts

Four districts were selected at random from the total of 14 districts in Kerala. The selected districts were Ernakulam, Thrissur, Malappuram and Kozhikode.

II Stage: Selection of Institutions

In Kerala 5 institutions have been providing EDP training in all districts and one institution has been imparting training in one place where trainees from all districts were selected. All the 6 institutions were selected for the study.

Over a period of 5 years, these 6 institutions together conducted 167 EDPs, attended by 4,316 participants. Average number of EDP participants over a period of 5 years is computed at 863. 20% of 863 is selected as sample which came to 173. Sample selected from all six institutions in the four selected districts using proportional random sampling method is shown in Table 1.1.

Table 1.1

Selection of Sample

Institution	Population	Sample	Actual	Not responded/Not cooperated
CMD	185	37	29	8
DIC	155	31	24	7
KITCO	244	49	38	11
REC	75	15	12	3
SISI	134	27	21	6
STED	70	14	11	3
Total	863	173	135	38

Thus the actual samples from 6 institutions collected were 135. The total number of persons who did not co-operate and not responded when personally approached came to 38.

Among the 135 sample selected, 68 respondents who attended EDP were not running SSI units. 10 respondents had already started SSI units when they joined for EDP. Thus the sample of 135 consisted of,

Existing entrepreneurs	:	10
Potential entrepreneurs who started units	:	57
Trainees who were not running SSI units	:	68
Total	:	135

Total number of existing entrepreneurs among the sample trainees = 67(10+57)

Equal number of untrained entrepreneurs = 67
(Comparison group with almost same background)

Therefore, the total samples covered in this study were 202 (68 + 67 + 67)

Statistical analysis of the data were carried out using SPSS and MSTAT Statistical packages. Frequency distributions, Percentages and summated scales scoring were applied to measure the effectiveness of EDP and chi-square analysis was carried out to test the difference between trained and untrained entrepreneurs while assessing the effectiveness of EDPs.

1.5. Period of study

For the purpose of this study a five year period (1994-95 to 1998-99) was taken. A longer period was considered wherever necessary.

1.6. Limitations

Post-training monitorings were not done by institutions except REC and SISI and that too only to a certain extent. One of the objectives of this study was to find out how far EDP has been effective in starting as well as running successfully a small scale unit. Proper records of participants were not kept by some of the Institutions. Some Institutions had prepared their evaluation of the training programmes to some extent, but they were not ready to provide these details. One institution strongly objected to be compared with other institutions by researcher.

Identification of EDP trained entrepreneurs was very difficult. Letters were sent to EDP beneficiaries to know their present position with the help of available information. Those who started unit did not respond and some of the trainees who did not start units responded. Later, when personally visited, EDP, trained entrepreneurs admitted that they were reluctant to reveal the details of their units especially the exact number of persons employed,

Investment, Sales Turnover, profit/Loss etc. So effectiveness of EDPs on economic terms could not be analysed in this study.

1.7. Chapter Scheme

The present study was prepared in 7 chapters. The details of the chapters are as follows:-

Chapter I

In this introductory chapter meaning of EDP and its need for developing entrepreneurship, importance of the study, objectives, methodology, period of study etc. are included.

Chapter II

This chapter is devoted for reviewing the available literature on various aspects relating to entrepreneurial development such as studies on Entrepreneurship, Industrial Entrepreneurship and Industrial Estates, Small Scale Industries and Entrepreneurship in Small Scale Industries, Entrepreneurship Development and EDPs.

Chapter III

This chapter provides the theoretical background which include Definition and meaning of Entrepreneurship, Entrepreneurship Development, Definition, Meaning and Growth of

Small Scale Industries and EDPs. EDP activities of the sample Institutions under study are also included.

Chapter IV

A brief explanation of some of the Institutions involved in EDP in a broad, at the National Level and State Level are given in this chapter. This is prepared on the basis of information collected from Entrepreneurship Development Institutions through a structured questionnaire and also with discussions with executives, Trainers of Institutions and Co-ordinators of EDPs.

Chapter V

This chapter gives an analysis of the data collected from EDP trainees which is based on two separate questionnaires. Here EDP trainees are classified into those who have started SSI units and Non-starters. This chapter highlights the usefulness of EDPs to EDP trained Entrepreneurs as well as trainees who were engaged otherwise.

Chapter VI

Here, a comparative analysis between EDP trained SSI unit holders and untrained entrepreneurs are presented. Trained

entrepreneurs are compared with equal number of a similar group of untrained entrepreneurs to find out how far trained entrepreneurs were helped by EDP training. The problems encountered by both the groups in certain areas, factors motivated them to start the unit, reasons which they believe for running successfully the units etc. are also analysed.

Chapter VII

Final conclusions and suggestions for improvement are included in the last chapter.

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REVIEW OF LITERATURE

CHAPTER - II

REVIEW OF LITERATURE

A wide variety of research studies have been conducted by a number of individual scholars and institutions into the different aspects of entrepreneurship development. While some studies examined the entrepreneurial profile, some other emphasized the entrepreneurial performances and problems and still other have examined the role of different financial and promotional institutions in the development of entrepreneurial talents. In this chapter, a brief review of various studies conducted in related aspects of entrepreneurship is given. Though this study focuses on the role of EDP in Small Scale Sector, it would not be complete without going through the literature of related areas. Hence literature review is given under different heads as-

1. Studies on Entrepreneurship
2. Studies on Entrepreneurship in Industrial Estates
3. Studies on Women Entrepreneurship
4. Studies on Small Scale Industries
5. Studies on Training and Institutions
6. Studies on Entrepreneurship Development
7. Studies on Entrepreneurial Development Programme

In almost all Research studies conducted in the above fields, the importance of imparting training to potential entrepreneurs to enable them for successful venture launching were stressed.

2.1. Studies on Entrepreneurship

Entrepreneurship was considered to be one of the most important determinants in the process of industrialization, creating employment opportunities and accelerating economic growth. The entrepreneur was the central figure in the process of development. He introduced new combinations of factors thereby channelising the economy's resource along productive lines. The entrepreneurial activities stimulated progress and formed the mainspring of economic development. The availability of entrepreneurs therefore, was the pre-condition of economic growth. Small Scale Industries constituting about 90% of the total registered units not only enhanced employment but also broadened the industrial base and enabled entrepreneurship to spread to more regions and layers of society.

J.J. Berna (1960)[1] studied the occupational and socio-economic back ground of the entrepreneurs, the origin and growth of their firms, problems faced by them and their mobility. He concluded that in explaining entrepreneurial activity, economic

factors such as access to capital, possession of business experience and technical knowledge were more important than sociological factors such as caste, attachment to traditional activities and approval or disapproval of the social group to which a potential entrepreneur belongs.

Entrepreneurship in a broader sense, can be described as a creative and innovative response to the environment. Collins and Moore (1964)[2] described entrepreneurs as too restless, too independent and too creative. Entrepreneurship was the activity of initiating, promoting and maintaining economic activities for the production and distribution of wealth. Gaikwad and Tripathi (1970)[3] made an attempt to bring out the pre-requisites for successful entrepreneurship. They observed that all the entrepreneurs were persons with initiative, drive and hardwork though majority of them had no technical knowledge nor strong economic base or political connections.

Entrepreneurs were found to have a need for Achievement, Support, independence and leadership as significant characteristics (Hornaday, 1971)[4] and those who take huge risk (Sing and Kiran 1971)[5]. Pathak (1972)[6] studied their problems at 3 different stages – Inception, operation and expansion/diversification and found that

problems at the inception stage received relatively more attention than the problems at the remaining two stages.

M.A. Oommen (1972)[7] examined the emerging pattern of entrepreneurship in the small scale sector of Kerala by studying the origin and growth of firms in the light engineering industry and the impact of Government Programmes like industrial estates and rural industries project on entrepreneurship.

Ashish Nandy's study (1973)[8] of entrepreneurs and non-entrepreneurs revealed that in an enterprising community, entrepreneurial exposures themselves contributed substantially to entrepreneurship and identified such a phenomenon as an important determinant of entry and survival in business.

Motivation is one of the driving factors and healthy means for Achievement. The motivation to achieve an unexpected result is the basic mental drive that is required in present day entrepreneurship. Kock & Timmons (1973)[9] found in their study that achievement motivation was closely associated with entrepreneurial success. SIET conducted a survey (1947)[10] of small units situated in Hyderabad and Secunderbad which revealed that "economic gains" was the most important reason for starting the small industrial units followed by "ambitions", "Social Prestige" and "Social responsibility" in that order.

K.L. Sharma (1976)[11] found that inter-state variation in the industrial climate gives rise to variation in entrepreneurial performance and better the climate better would be the performance. The study affirms that socio-economic background matters, to some extent, for one's entry into manufacturing S.V.S. Sharmas (1978)[12] study on the profile of entrepreneurs in the North Eastern Region indicated that a successful entrepreneur was comparatively young in age with education upto matriculation or above having previous experience in artisanship or of business and trade or in Government Service. It was also revealed that the entrepreneurs had links with Government Officials/experts and a moderate degree of social participation. Sharma (1979)[13] made a critical appraisal of Government policies, Organisations and Programmes concerned with the promotion and development of small enterprises inorder to evaluate their effectiveness.

R.A. Sharma (1980)[14] found that strong desire to do something independently in life, technical knowledge and/or manufacturing experience, financial assistance from institutional sources, business experience in the same or related lines, accommodation in industrial estates and heavy demand were the factors that induced the new and small entrepreneurial class.

Choudhari (1981)[15] made an attempt to review the entrepreneurial activity of the North-East Region in order to find

out its identity in terms of social, local, occupational and product-wise variations. He observed that inspite of abundant natural resources, the pace of industrial growth was slow not only because of the lack of basic facilities and financial institutions but also due to untapped entrepreneurial talents in the region.

B.S.S. Rao (1983)[16] conducted a brief survey to have an idea about the extent of awareness in respect of opportunities in self-employment and their images about the assistance available from the support agencies which pointed out that a favourable climate needs to be created to promote entrepreneurship on a large scale among Science & Technology Personnel.

Venketapathy (1984)[17] analysed the adoption propensity of the entrepreneurs belonging to first & second generations and the interaction among the entrepreneurs belonging to first and second generations and entrepreneurs belonging to practice – potential levels. He found that the first generation entrepreneurs had a significantly higher level of adoption propensity compared to the second-generation.

Many Research studies have been conducted on the socio-economic factors affecting entrepreneurial growth and stressed the need for imparting systematic training to entrepreneurs either before

or after they start their enterprise. Subbi Reddy & Sobha Reddy's (1984)[18] study revealed that a family back ground of business experience is influential to a greater degree in taking to entrepreneurship. Subrahmanyan, Venkata Ratnam and Satya Raju (1984)[19] found that entrepreneurs with higher academic qualifications were found more in trade sector than in manufacturing sector.

Manju Gupta & Venkateswara Sharma (1985)[20] described the socio-economic characteristics of entrepreneurs in the non-traditional sector. H. Sadhak (1989)[21] found that most of the first generation entrepreneurs could not start their own projects without financial support. Bhatia & Sharma (1989)[22], Ramesh. C. Misra & Narendra Bisht (1989)[23] found socio-economic factors greatly influencing entrepreneurial performance especially family back grounds. Business families seemed to prefer industrial ventures in large numbers. They suggested that some institutional facilities should be provided by the state for improving their performance and EDPs must be conducted at the University level along with N.S.S Programme on a compulsory basis. Narasimhamurthi's study (1989)[24] revealed that the hold of caste structure on occupations was getting loosened throwing the doors of entrepreneurial opportunities wide open to people who were willing to take risks.

According to him training and experience instills confidence among youth, and served as the nursery for building enterprises.

M.C. Gupta & Sanjay Baijal (1990)[25] observed that most of the entrepreneurs were not well informed in regard to the competitive position, consumer's choices, and prospective markets of their products and consequently were deprived of adequate profits. It was suggested that more and more management training Programmes should be conducted by the Government and its promotional agencies with a view to acquaint the small entrepreneurs with the techniques of Management. P.K. Sharma (1991)[26] studied the role and contribution of Development Banks in the promotion and creation of new entrepreneurship, proliferation and upgradation of generated entrepreneurship, revival and rehabilitation of sick units. Promotion of entrepreneurship in small & Medium Scale Sector, backward areas and no industry districts.

The significance of Technical Education and Training has been proved by the studies conducted by Thangamuthu & Iyyampillai (1992)[27] and Karuns and Ramachandran (1992).[28] Zahir (1994)[29] found entrepreneurs with business background having wide contacts, basic experience and financial resources more successful. The factors influencing success of an entrepreneur highlighted by Nikhil and Ratna Menon (1999)[30] were

Foresightedness, adaptability, well planned marketing strategy, personal complementary traits like self-confidence, analytical skills, positive attitude, perseverance etc. They suggested that Entrepreneurial Training should be made more effective and include practical knowledge.

P.N. Menon and Sunil Dutt (2000)[31] identified the compelling factors responsible for Medical Professionals for starting their own enterprises and the problems encountered by them. They found that majority of the professionals had no awareness regarding the enterprise support system before starting their private practice and suggested that some elements of entrepreneurship should find a proper place in the curricula prescribed both at the graduate and post graduate levels in Medical Science.

D. Himachalam (2000)[32] conducted a detailed investigation on the opportunity factors influencing entrepreneurship and analysed socio-economic factors. He stressed the importance of EDPs to achieve competent entrepreneurs.

Kailash Chander (2001)[33] pointed out the importance of entrepreneurship for the socio-economic development of any nation and had laid emphasis on more and more entrepreneurs to enter

electronics industry whose development was of prime importance for every nation entering the 21st century.

2.2. Studies on Entrepreneurship in Industrial Estates

Industrial Estate Programme in India is perhaps the biggest undertaken by any developing country. The Programme started in 1952 when the first such estate was established in Maharashtra. The main objective of the programme was to encourage and support the creation, expansion and modernization of Small Scale Industries through provision of factory accommodation, common service facilities and assistance and servicing throughout all stages of establishing and operation and developing sub-contracting relationships within the small scale and large scale industries and specialized manufacturing activities. Subsequently, the programme also assumed the role of regional development through provision of built in factory accommodation with the requisite facilities and services in semi-urban, rural and backward areas.

P.C. Alexander's study (1955)[34] on industrial estates had showed that industrial estates scheme has been a great success in the country in achieving its main objective of attracting industries from outside. Dhar & Lydall (1961)[35] have stressed that the industrial estate programme should be used as a nursery for

efficient entrepreneurs to grow. Prakash (1980)[36] investigated into the working of Mini Industrial Estate Programme in Trichur District. He found that the units which were run by entrepreneurs who had previous experience in running industries or had business experience were making profit.

Gangadhara Rao (1986)[37] evaluated the impact of the programme of industrial estates on the emergence of entrepreneurship and growth of small units in coastal Andhra. According to him, educational and income levels were important factors in motivating entrepreneurship. Ashok Kumar (1990)[38] analysed the socio-economic background of entrepreneurs and found that education and training, previous job experience and encouragement of family members, friends and relatives were some of the important entrepreneurial motivations for entrepreneurs in two industrial estates.

Pawar (1990) found that the small entrepreneurs tended to keep the unit size small because of poor availability of capital, limitations of Management limited market and scarce raw materials. Thangamuthu and Manimekalai's study (1992)[40] concentrated on the socio-economic background and performance of entrepreneurs in the developed plot estate in Thuvakudi in Tamil Nadu, which revealed that parental education and occupation did not show a

perceptible bearing on the emergence and development of entrepreneurs.

2.3. Studies on Women Entrepreneurship

Women are increasingly seeking entrepreneurship as an avenue for economic growth. Across the world, the number of women starting their own companies is on the increase. A number of research studies have been carried out in women entrepreneurship.

Kirtida Surti & Dalpat Sarupria (1983)[41] attempted to investigate, what kind of role stresses women entrepreneurs experience and found that women who were coming from a joint family experience low stress than women from nuclear family. Neider (1987)[42] found that tension between personal life and career was a major problem by these women. Enterprises started by women were no longer confined to conventional fields like embroidery, knitting and tailoring. They are venturing into new fields like electronics, pharmaceuticals, engineering and services. Women form an important segment of the labour force and the economic role played by them cannot be isolated from the frame work of development.

A study conducted by N.C. Pillai & Anna V. (1990)[43] examined the compelling reasons and stimulating factors which had women to industry, revealed that women entrepreneurs were interested in gaining independent economic status. Hina Shah and Bhuptani (1990)[44] observed that women entrepreneurs wish "to be on their own" or "to do something independently" Shanta Kohli Chandra (1991)[46] found that socio-economic factors were affecting the women entrepreneurs. Rani (1992)[47] also found that the desire to do something independent was the strongest reason for becoming an entrepreneur followed by technical knowledge. Kamla Singh (1992)[48] studied the profile, entrepreneurial traits, performance of women entrepreneurs and explored the Institutions and Agencies extending financial support, technical training and guidance.

Anjali Mehta (1993)[49] identified areas of complaint / difficulty as bank financing, heavy paper work and inability of women to operate freely in male dominated business world. Lalitha Rani (1996)[50] analysed the socio-economic background and motivational factors of women entrepreneurs; their major strengths, weaknesses, opportunities and threats; their attitudes, aspirations and achievements and the work home role conflict they experience.

Monica Banerjee & Talukdar (1997)[51] observed that entrepreneurs with high achievement motivation, high job

involvement and high family annual income showed a high extent of entrepreneurship.

Aparajitha & Nayan Barua (1998)[52] observed that only a fraction of the trained women entrepreneurship come to the real world of business. The other part enjoys such programmes as a part time only without any follow-up action. Mallika Das (1999)[53] classified women entrepreneurs, based on their reasons for starting the business, into 3 categories – "chance", "forced" and "created" or "pulled" entrepreneurs. She found that while there are similarities between these groups in terms of certain demographic variables, they did differ in terms of critical business variables such as sales volume, expected growth and success factors.

According to Rajinder Kaur & Shally Bawa (1999)[54] women took up business ventures for a variety of reasons like ability utilization, achievement, advancement, economic rewards, personal development and prestige. Yadav (1999)[55] found that socio-economic environment affect the development of women entrepreneurship. According to Sudharshanan Pillai & Saraswathi Amma (2000)[56] entrepreneurial constraints at the beginning of the enterprise launching were lack of finance, lack of technical knowledge, lack of knowledge about various institutions, government programmes etc.

2.4. Studies on Entrepreneurship in Small Scale Industries

Entrepreneurial Development and Small Scale Industries are inter-related. The former gives berth to the small scale industrial units, while the latter provides further opportunities for entrepreneurial Development. Small Scale Industrial units do not only increase the quantum of goods and services in the country but also develop entrepreneurial and managerial skills.

The Research Department of Gandhigram Rural Institute of Higher Education, Madurai (1975)[57] carried out a descriptive and statistical study on "entrepreneurship in small scale Industry in the Madhurai city and its environs" among 150 industries. The study concluded that.

A small entrepreneur had to take advantage of the central and state assistance to help rural and semi-urban areas. To impart suitable training to educated youths of rural and urban area, unemployed engineers and technicians, more ventures of this kind had to be formulated and built into the development programmes in our country because unless the right type of entrepreneurial leadership is forthcoming, the programmes for industrial growth would be futile and devoid of any meaningful impact on the country's economy.

Ramakrishnan (1975)[58] enquired into small entrepreneur's social, educational and occupational back grounds, their motivations, expectations and reactions to Governmental Schemes of assistance. Hrishikesh Bhattacharya (1984)[59] conducted a study on the problems faced by small scale entrepreneurs and found that the smaller the firm the larger the proportionate increase in finance required to enable it to effectively respond to the demand of its product. It was also observed that smaller the firm, the less was its chance to command finance from bank because it did not have any track records of past years performance. Sidhardhan (1987)[60] examined the efficiency of entrepreneurship in small scale industries. He made a detailed discussion of the problems faced by small scale industries in Kanyakumari District. The major complaint voiced by the entrepreneurs was the rigidity with which banks and term lending institutions treating the entrepreneur's proposal for loans and other advanced.

Bhagwati Prasad and K. Eresh (1987)[61] conducted a field survey in Bellary District of Karnataka. They found that the new entrepreneurs who had come forward to start small scale units did not have adequate experience in the field. It was suggested that to prevent sickness in units, proper guidance and training and consultancy services should be made available to the entrepreneurs.

Shanmugham (1990)[62] analysed the back ground of entrepreneurs, the factors that influenced the entrepreneurs to start the business and the problems encountered by them. He found that previous experience in engineering units and technical qualifications influenced them to venture into business. Madhava Hejmade (1990)[63] found that factors like self motivation, and confidence, job skills, external motivation, Government Policy and calculated incentives could motivate people to take up an industrial venture on a small scale.

The Research study conducted by Satya Raju and Chalapati Rao (1992)[64] revealed that the success of the enterprise depends upon the effectiveness of the Management. Xaviour (1992)[65] examined the factors influencing the successful entrepreneurs and found that there was significant difference in the behavioural qualities of the successful and unsuccessful entrepreneurs.

2.5. Studies on Small Scale Industries

The small scale industry today constitutes a very important segment of the Indian economy. Small scale industrial units do not only increase the quantum of goods and services in the country but also develop entrepreneurial and managerial skills. The area in which small entrepreneurs face the greatest difficulty is that of

Management. A study of the management of Small Scale industries was conducted by Shashi Bala (1984).[66] In her study, smaller units found it difficult to secure loans.

Bedabati Mohanty (1986)[67] found that the nature of industry and type of product had great influence over employment generated by small industry. Naidu & Padmavathy (1987)[68] conducted an investigation into the growth, causes and consequences of sickness in small scale industrial sector in Chittoor district of Andhra Pradesh. N. Thanulingom & K. Natarajan (1989)[69] conducted a study of the impact of incentives on small scale industrial units in Madurai District in Tamil Nadu which indicated that entrepreneurs were motivated to start small scale units due to the availability of financial incentives. Entrepreneurs in small scale industries often faced the problems of raw materials (Ambili Kumar (1990),[70] Marketing, Finance, Management (Umesh. C. Patnaik 1992)[71] and Management of Finance (Retna raj 1992)[72]. In these studies also, the need of proper training to entrepreneurs were stressed.

Attahir Yusuf (1997)[73] conducted a study among owner/Managers of 300 firms to identify the major problems common to small business in Papua New Guinea in each lifecycle stage. The study also assessed the relative significance of these problems so as to identify the necessary shifts in management

priorities the small business might need to undergo as they go through the lifecycle. He found that firms achieved their highest level of profitability in the first 3 years of operation. Lack of business knowledge as a problem was manifested mainly during the formation and maturity stages.

2.6. Studies on Training and Institutions

Training plays a vital role in initiating and accelerating the process of Entrepreneurship Development. The spirit of entrepreneurship can be nurtured to some extend by an appropriate pattern of education and training programmes. For the success of an industry the man behind the project is more important than its fixed assets, the entrepreneur has to be trained well. Education and Training will very much help in developing and augmenting the supply of new entrepreneurs which is very much needed to harness the scarce resources for economic development.

Sarma & Vallabh Reddy (1985)[74] evaluated the operational aspects of TRYSEM (Training of Rural Youth for Self Employment) which revealed that the beneficiaries had benefited from training. There was an increase in their earnings after establishing self employment ventures. Lack of proper motivation and non-sanctioning of loans by financial institutions were some of

the reasons given by the beneficiaries of the programme for not starting their own units.

Anuradha Prasad (1988)[75] evaluated the working of TRYSEM in the villages of Union Territory of Delhi where TRYSEM was launched in 1979. The findings revealed that the village youths under TRYSEM were generally found to be poor in human resource endowment especially achievement motivation, influence and risk taking willingness to either taking up a new enterprise or achieving excellence in any enterprise.

H.K. Trivedi (1989)[76] ascertained the beliefs and attitudes of the business community towards professional management and identified managerial styles and motivation of businessmen. He came to a conclusion that suitable training programmes could contribute significantly in the removal of the 'non-professional' beliefs. Practical orientation of need-based training Programmes conducted locally and in the regional languages might help the cause of professionalism in business.

To promote self employment amongst the unemployed youth, a nation wide programme, SEEUY (Scheme for providing Self-employment to Educated Unemployed Youth) has been on since 1983. Chandrasekhara Rao & Rajagopalan (1990)[77]

conducted a survey to assess the success of SEEUY in terms economic results of survived units. They concluded that mere provision of financial assistance to start a self-employment oriented venture under SEEUY scheme was not yielding the desired results. Provision of appropriate training, better integrated plan for resource development and utilization and setting up of institutional facilities for marketing the products might have proved to be very useful in increasing the survival performance of the small ventures. Mohan Reddy, Gopalakrishnaiah and Sivaram Reddy (1990)[78] also evaluated the working of Gramodya (SEEUY), and found that educated youth with technical qualification were not attracted towards the scheme. They emphasized the relevance of Technical Training. Uma Mohan and Hari Narayana Rao (1992)[79] also evaluated SEEUY and they observed that entrepreneurial skill did not depend upon education, occupational background or caste.

M.I. Hassan (1993)80 evaluated the working of BITCO (Bihar Industrial Technical Consultancy Organisation) and found that on the basis of Industrial Potential Surveys it has become easier for entrepreneurs to know where the industrial potentialities exist. B.L. Chadha (1993)[81] studied the performance of RUDSET Institute (Rural Development and Self-Employment Training) in Karnataka. The Institute has recorded commendable results in terms of training

programmes conducted, number of candidates trained and their settlement.

2.7. Studies on Entrepreneurship Development

Development of entrepreneurship is very essential for the economic prosperity of a particular region, society or a nation. Entrepreneurship Development consists of mainly 3 activities such as stimulatory, support and sustaining. The stimulatory activities ensure the supply of entrepreneurs ready to take initiative and organize their enterprises. The support activities provide resources, ability and skill to entrepreneurs for enterprise launching and management. The sustaining activities make all the efforts for the growth and continuity of enterprises.

Bhanushali (1987)[82] analysed the merits secured by entrepreneur according to 6 criteria viz organizational set up, Personnel Management, Production Management, Entrepreneurial Success index, Marketing Management and entrepreneur criterion. P.N. Misra (1987)[83] examined the role of the specialized financial institutions in generating and developing new entrepreneurship in India. R.P. Kurulkar (1989)[84] suggested that to accelerate the development of rural entrepreneurship, the Government should create facilities like starting of more technical and vocational

schools, provision of good infrastructural facilities, and organization of EDPs for the rural youth. R.K. Jena & Basantha Kumar (1989)[85] in a study on the problems of educated unemployment in Rural India found that entrepreneurship development in rural industries appeared to be the best possible alternative to find employment avenues for them.

Vivek Deolankar in studies (1989)[86] and (1993)[87] suggested that timely action by Government and other agencies can accelerate the process of entrepreneurship development in India. He found that though first generation entrepreneurs suffer from lack of business experience, basic facilities and financial support, the pace of entrepreneurial development was slow due to untapped entrepreneurial talents.

Rashid Ali (1995)[88] analysed the socio-economic factors and found that entrepreneurs were attracted and prompted to set up industrial enterprises preferably at a place where land, labour and capital were easily, cheaply and adequately available and also emphasized the role of EDPs in the promotion of entrepreneurship. S.S. Khanka (1998)[89] after studying the Entrepreneurship Development in the North-East Region came to the conclusion that entrepreneurship development was not necessarily an individualistic effort. It was a collective endeavour of various groups working together for a common purpose.

Narinder Kaur (2001)[90] studied the role of Small Business Entrepreneurs in the changing global scenario, identified entrepreneurial factors contributing to success rate of small business entrepreneurship and highlighted problems associated with effective marketing by small business entrepreneurs. He suggested that a proper environment must be created where an entrepreneur is educated and he should have a proper training in acquiring the necessary skill in running the small business enterprises.

Kawaljeet Singh (2001)[91] analysed the economic and occupational back ground of industrial entrepreneurs and operational problems faced by them. He found that entrepreneurs in a number of cases failed because of lack of technical skills and management knowledge. The study highlighted the importance of assistance covering technology selection, technical information and training to accelerate formation of indigenous enterprises.

2.8. Studies on Entrepreneurial Development Programmes

A number of EDPs have been started in various parts of the country in order to provide proper motivational training to potential entrepreneurs and eventually to equip them with requisite knowhow so as to enable them to tackle various business problems likely to be faced by them in the setting up of their new projects.

At present a large number of institutions and organizations are engaged in conducting a variety of training and research activities directed towards developing entrepreneurship. According to a study conducted by NIESBUD about 686 organisations (which include DICs) are engaged in conducting EDPs in the country. Most of these organizations are established, sponsored and/or financially supported (directly or indirectly) by the central/state Governments, financial institutions and public sector banks.

The well known Kakinada experiment conducted by Mcclelland and his associates and entrepreneurship promotion work done by Gujarat Industrial and Investment Corporation and centre for Entrepreneurship Development, Ahmedabad have clearly shown that it was possible to train first generation entrepreneurs through systematic training.

A study made by a team of researchers and experts (1974)[93] appointed by the Gujarat Corporation to evaluate the EDPs which were pioneered and funded by them, focused on the effectiveness of the selection tools, training inputs, impact of achievement motivation, training, training pedagogy and faculty and organizational structure of EDPs. M.V. Deshpande & M.V. Panvalkar (1980)[93] proved that entrepreneurship can be developed through well-designed training programmes. They found that pre-

training preparation, evolving support systems and a regular follow-up during the post-training period were as important as the training itself.

By keeping a control group of non-trained entrepreneurs, Patel (1981)[94] attempted to assess the effectiveness of EDPs including financial performance of the units. He found that the EDP trained entrepreneurs had performed significantly better in terms of successful management of the ventures (as indicated by much less closures), profitability, Returns on investment etc, compared to non-trained entrepreneurs. A study was conducted by EDI (1987)[95] which covered EDPs conducted in Madhya Pradesh by 3 organisations viz SBI, SISI & MPCON (Madhya Pradesh Consultancy Organisation). Besides inter-organisational comparison, the study carried out a comparative analysis of EDP trained and non-trained entrepreneurs which observed that the performance of trained entrepreneurs was significantly better than the non-trained entrepreneurs.

A sample study of 40 units set up by trained entrepreneurs in Gujarat (1987)[96] who had at least 5 years of operational time, revealed that the EDP trained entrepreneurs had less than 10% closures compared to 20 or 25% among other small-scale enterprises. The study also revealed a need for improving the

training inputs on problem-solving skills and frequent refresher programmes on Management and decision making as desired by the entrepreneurs. SBI's Evaluation and Monitoring cell undertook evaluation of EDPs (1987)[97] conducted by SBI. Major objectives of this study were to assess overall success of these EDPs in terms of start-up rates, performance of the units started by EDP trained entrepreneurs and problems and prospects of SBI-EDPs. It observed that the funding of new ventures, poor follow-up, inadequate opportunity identification and guidance were major weaknesses of these EDPs.

Natarajan & Thenmozhi (1991)[98] analysed the socio-economic background of WEDP beneficiaries and found that women with previous experience have emerged as entrepreneurs. It was concluded that women possess entrepreneurial skill to start business venture. Another comparative study of EDP trained and Non-trained entrepreneurs was conducted by Mahajan (1992)[99] across two regions viz Rajasthan and the North-Eastern Region, which observed that the trained entrepreneurs were significantly better than the un-trained ones with regard to profits, earnings, employment creation etc.

An assessment of the success & effectiveness of EDPs were made by Dinesh. N. Awasthi & Jose Sebastian (1996)[100] and found

that EDPs as a developmental strategy have been successful in achieving their stated objectives. They observed wide variations in the performance of EDPs across the states and among the E.D. organizations. The performance of EDP trained entrepreneurs in comparison with that of un-trained entrepreneurs, has been significantly superior and the rate of sickness in the ventures launched by them has also been lower than the national average. Another comparative study conducted by Jasmer Singh Saini (1996)[101] proved that in terms of growth rate of employment generated and Sales Turnover achieved, trained entrepreneurs had exhibited significantly higher growth rate.

The achievement of EDPs are bound to vary from state to state and organization to organization because of the variations in policies, support system, infrastructure, quality of entrepreneurial supply and the efficiency of E.D. organizations.

However no study has so far been undertaken to explore the effectiveness of EDPs in the industrialization process in this part of the country. There are a number of institutions engaged in Entrepreneurship Development in general and conducting EDPs in particular. The present study is therefore an attempt to fill this gap of information.

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A STUDY ON THE EFFECTIVENESS OF ENTREPRENEURIAL DEVELOPMENT PROGRAMMES FOR THE DEVELOPMENT OF SMALL SCALE INDUSTRIES IN KERALA

THESIS
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OVER VIEW OF ENTREPRENEURIAL DEVELOPMENT IN SMALL SCALE SECTOR

CHAPTER - III

OVERVIEW OF ENTREPRENEURIAL DEVELOPMENT IN SMALL SCALE SECTOR

Many Governments in developing countries recognized that small and medium scale industries continue to play an important role in their socio-economic development. The small scale industry today constituted a very important segment of the Indian economy. This sector has played a vital role in shaping the destiny of the Nation since independence. It had emerged as a highly vibrant and dynamic sector of Indian economy. Entrepreneurial development and small scale industries were inter-related. The former gave birth to the small scale industrial units, while the latter provided further opportunities for entrepreneurial development. The rapid growth of small scale sector was mainly due to the entrepreneurship development.

Nations became economically great not only because of natural resources but of quality entrepreneurial talent with which they were endowed. The small scale industries sector acted as a nursery for promoting entrepreneurial talent and as a catalyser in industrial growth through a wide network of more than 3 million units in the country. At present the SSI sector was one of the largest

employers in the country, providing direct employment to an estimated over 17 million persons.

Industrialisation and entrepreneurship were directly related, for, it was the entrepreneurs who established units. The entrepreneurship development in India acquires importance due to the need for-

(a) accelerating the rate of economic development;

(b) achieving the objective of balanced regional development by providing broad base to the industrial development;

(c) solving the problem of unemployment to some extent; and

(d) directing available resources towards non-traditional areas of investment[1].

Entrepreneurs were the real heroes of economic life. According to Webster's Third New International Dictionary, an entrepreneur was an organizer of an economic venture, especially one who organized, owned, managed, and assumed the risks of a business. He was a critical factor in the socio-economic change. He was the Keyman who envisaged new opportunities, new techniques, new lines of production, new products and co-ordinated all other activities. Entrepreneurship was an input for industrial growth, economic development and social progress. Entrepreneurs were

responsible for a significant amount of the change in our society, much of the economic growth, practically all of the sustained growth in employment, plus the new technologies that make our life easier and more enjoyable[2].

Entrepreneurship was a gradual process of development and reformation in every field of socio-economic endeavour. It was an individuals response to an environment. The choices made by an entrepreneur at different stages of the development of an enterprise were the key elements of entrepreneurship that contributed to entrepreneurial success. Owing management responsibilities sales promotion, single goal orientation and early establishment were highly positively associated with entrepreneurial success[3]. According to some researchers, the pre-requisites for successful entrepreneurship were high motivation, managerial competence, bold, dashing and pragmatic personality[4], high level of aspiration, risk taking and adoption propensity[5] and previous experience[6,7]. A study of SSI units in Punjab observed that the entrepreneurs in low investment groups were more successful than those in other groups[8].

The development of entrepreneurship was considered as an engine of growth to accelerate the overall and diversified industrial and economic development of a nation. In fact, industrial development could not prosper without development of skilled and

trained entrepreneurship. The promotion and development of small scale industries were intimately linked with development of entrepreneurship. "The best entrepreneur to any developing country was not necessarily the man who used much capital, but rather the man who knows how to organize the employment and training of his employees"[9].

Entrepreneurs were "risk-takers"[10]. It was their ability to forge ahead with a single minded devotion to their 'pet project' or dream which distinguished entrepreneurs and led them to success. Supporting microenterprise through Non-governmental Organisations (NGOs) had come to be seen as an important approach for generating local employment and raising incomes. The case of the Grameen Bank in Bangladesh has been extremely influential in demonstrating the potential of credit provision to small scale micro enterprise to reduce poverty[11]. Being an entrepreneur was a transitory moment in an individuals economic life, although it could then lead to a certain class position. The essence of entrepreneurship was operating one's own enterprise.

3.1. Qualities of a Successful Entrepreneur

Several research studies have been carried out to identify the traits of a true entrepreneur. Macclelland (1961)[12] pointed out in his

book, 'Achieving Society' that successful entrepreneurs were characterized by

(a) an unusual creativeness;

(b) a propensity of risk taking; and

(c) a strong need for achievement

A distillation of 50 research studies revealed the following entrepreneurial traits[13].

(i) Total commitment, determination and perseverance

(ii) Drive to achieve and grow

(iii) Opportunity and goal orientation

(iv) Taking initiative and personal responsibility

(v) Persistent problem solving

(vi) Realism and a sense of humour

(vii) Seeking and using feed back

(viii) Internal locus of control

(ix) Calculated risk taking and risk seeking

(x) Low need for status and power

(xi) Integrity and reliability

Entrepreneurship played both the roles of Managership and Leadership. Managerial role was exhibited by entrepreneurs in their capacity as heads of the enterprise, procuring and allocating resources to manage the enterprise. They also played leadership role when they were driven by their own vision to innovate or bring in a change in the manner events took place[14].

Developed nations like USA, UK and Japan have acknowledged that it was the 'spirit of enterprise' among their people that has transformed their small agro-based industries into big industrial giants[15]. These countries had further specified the need to promote entrepreneurship among the people to achieve higher levels of economic growth. The inadequacy of entrepreneurship was considered an inhibiting factor to accelerate the process of industrialization in the developing countries. Entrepreneurs are key persons of any country for promoting economic growth and technological change. The development of entrepreneurship was directly related to the socio-economic development of the society.

3.2. Entrepreneurship Development

Entrepreneurship Development was emerging as one of the key factors in accelerating economic development in India.

Entrepreneurial success depends basically on the entrepreneur running the unit. Industrialisation of remote areas was possible only through the development of indigenous entrepreneurship. Thus in order to effect a balanced area development and dispersal of industrial units in interior areas, promotion and development of local entrepreneurs appeared to be essential[16]. In recent years human resource development has been receiving great attention in developing countries. With this came renewed attention towards the role of entrepreneurship in initiating and stimulating economic development.

Programmes and Schemes initiated and being implemented by the various Government agencies underline the importance of entrepreneurship as the key variable in the process of industrial development. A greater emphasis was on developing the quality and quantity of entrepreneurship was expected to result in a better rate of industrial growth. This required identification and promotion of potential entrepreneurs and the qualities associated with entrepreneurship. A proper understanding of the process of entrepreneurial development was thus inevitable for formulating and implementing effective policies intended to promote entrepreneurship[17]. Entrepreneurial development was a process in which persons were injected with motivational drives of

achievement and insight to tackle uncertain and risky situations especially in business undertakings. The process of entrepreneurial development focused on training, education, re-orientation and creation of conducive and healthy environment for the growth of enterprises.

Entrepreneurial motives, abilities and a congenial environment which promote sustainable small entrepreneurship have been found to be largely lacking in the country. It was then widely accepted that good entrepreneurs were not necessarily born but could be moulded in fact it was the rationale of the EDP which have proliferated so much in the country since 1971. All of them were based on the assumption that through specific training programmes it was possible to make a person (who has the potential) develop the competence required to run a small business successfully." Experience of last few decades both in India and abroad clearly showed that it was possible to develop entrepreneurs through planned efforts[18]. The reason of the backwardness of the underdeveloped countries lied in the fact that they were deficient in innovating and imitating entrepreneurs while they are found in abundance in developed countries.

The experience had shown that two major factors have played significant role in developing entrepreneurship. One of

them was the development of human factor – the entrepreneur himself, another major factor was the development of environment where entrepreneurial activities could flourish and grow. The human factor referred to the attitude, desire and motivation of individual, his capability to perceive the environmental changes and opportunities as well as his ability to solve the problems which entrepreneur was likely to face. The training was effective in developing all these aspects of human factor provided it was planned well with balanced emphasis on all aspects. Training had played crucial role for all such strategies in initiating and accelerating the process of entrepreneurship development. "Entrepreneurs are not born, they were made through different training Programmes"[19].

The Government of India was actively associated with the entrepreneurial development because the programme of entrepreneurial development were broadening the entrepreneurial base and encouraging the rapid growth of small, medium and tiny sector entrepreneurs. Thus the potential entrepreneurship necessarily ensured entrepreneurial success[20]. Entrepreneurial supply largely depended on the stage of economic growth, the socio-economic environment, policy measures of the Government and the individual's own skill motivation and training.

A conducive environment was an important factor which helped not only in encouraging entrepreneurial promotion but also the success of the enterprise (Report of the committee on Development of Small & Medium Entrepreneurs, Government of India, New Delhi 1973). The environment was normally reflected in the socio-political and economic policies of the government and other financial institutions, the investment opportunities available and the presence of various infrastructural and other utilities in the economy.

Upto 1960s no systematic plan and policy were undertaken for entrepreneurship development. The Government of India launched special schemes for self employment of engineers and other educated unemployed persons. From 1968 emphasis was given to train entrepreneurs in science and technology. This started with organization of training courses launched by Small Industry Service Institute and a few selected institutes.

The strategy of entrepreneurial development in India, had however, rested on the premise that by providing training, financial support, infrastructural support, incentives and subsidies, one could produce entrepreneurs who would then generate jobs for others. Opportunity seeking behaviour, ability to innovate and take risks and the need to develop skills which were critical to the firm have,

unfortunately not received the necessary attention[21]. It was through the efforts of entrepreneurs that a small industry could become a dynamic sector of the economy and hence the effort made to develop such persons was well worth the investment in terms of labour and cash.

A worthwhile point, which could be observed in the various entrepreneurial development endeavours of the government during the first year plan was the underlying assumptions that entrepreneurship would automatically develop if entrepreneurial opportunities were made available. Not much importance was given to the direct role of the Government for the development of the entrepreneurship talent in the society. The continued depressed growth of the economy, increasing concentration of the means of production in a few hands, acute regional imbalance, mounting unemployment problem and the industrial stagnation, virtually forced the Government to take the entrepreneurship development programme on the large scale during the later part of the planning period[22].

3.3. Women Entrepreneurship

Various programmes have been launched by the Government and private institutions to involve women participants in the

development process, and they ultimately paved way for the development of entrepreneurship. In rural areas it was the awareness creation, which was the motivation force to start business. Emergence of women entrepreneurs in the economy was an indicator of women's economic independence and their improved social status. The quest for economic independence and better social status and sometimes sheer need for the family's survival, force women into self-employment and entrepreneurship[23]. The role of women entrepreneurs helped industrial development, promoted economic development and helped to solve the problem of unemployment and poverty. There was a potential among women and proper environment must be created to nurture entrepreneurship among these women, who belonged mostly to non-traditional entrepreneurial group[24].

In India women's development was not distinguished as an identified sector, in the initial years of planning at the national level. It was only during the sixth plan from 1980-85 that the magnitude of women's problems were perceived and the need to make special efforts for the economic development of women were recognized. In the seventh plan (1985-90) there was a definite shift in focus from the welfare concept to development concept in programmes for women ushering in a new thrust for the development of women.

Women constitute nearly half of the rural population of India and play vital role in the rural economy. They needed to be considered equal partners along with men in the development process. Having realized the importance of the role to be played by women in national development, a special chapter on the details of the plan of action for integration of women in development has been included in the sixth five year plan and also was extended in subsequent five year plans. Further the New Industrial policy of Government of India had specially highlighted the need for conducting entrepreneurship programmes for women to enable them to start small scale industries. The feed back from some of the institutions imparting training under the EDPs point to the popularity of product based training among women entrepreneurs towards items like readymade garments, dress designing, food products, export-oriented handicrafts, plastic products, soft tiles and herbal preparations[25].

Entrepreneurship started by women was no longer confined to conventional fields like embroidery, knitting and tailoring or 3 P's – pickles, powder and pappad, but women were venturing now into modern technological field or 3 E's - energy, electricity and electronics.

The CSO Survey of Manufacturing Enterprises (1994-95) revealed that out of a total of 2.14 million proprietary units owned by women entrepreneurs, 1.65 million (76%) and 0.49 million (24%) units were located in rural and urban areas respectively. Women entrepreneurs in the urban areas had a better concentration in capital intensive industries. Inorder to promote women entrepreneurship, SIDBI has designed a number of programmes such as Mahila Vikas Nidhi, Mahila Udyam Nidhi, Micro credit Scheme, Women Entrepreneurship Development Programmes etc. These programmes were formulated with the twin objectives of:

(i) providing training and extension services support to women entrepreneurs through a comprehensive package suite to their skills and socio-economic status; and

(ii) extending financial assistance on liberal terms, to enable them to setup industrial units in the small scale sector.

Special recognition has been given to encourage the women enterprises in the state of Andhra Pradesh by establishing an exclusive Industrial Estate for Women Entrepreneurs.

Entrepreneurship Development Institute of India, Ahmedabad conducted result oriented entrepreneur development programmes mainly for industrially backward and rural areas. Women

entrepreneurs were a special target group for this programmes. The National Institute for entrepreneurship and small business development was also engaged in women entrepreneurship development activities. "Shree Shakti Package" for women entrepreneurs was started by State Bank of India to provide concessions and special training facilities.

3.4. Women Entrepreneurship in Kerala

Kerala has made significant progress in the field of social development and this was reflected in the high level of literacy among the women. Women were playing a very important role in Kerala's social development. It was a well known fact that the Kerala women have proved that women were equally good in entrepreneurial activity.

According to a study the number of women's industrial units in Kerala was 358 in 1981 which rose to 782 in March 1984. These 782 units included 592 proprietary concerns, 423 partnership firms, 42 charitable institutions, 3 joint-stock companies and 102 co-operative societies covering a wide range of activities. The financial marketing and training assistance provided by the State Governments also helped to motivate women to assume entrepreneurial career. (Government of Kerala: Women's industries department, Thiruvananthapuram).

Looking at the indicators of social development, Kerala was at par with many developed countries[26]. The economic indicators, however were not that laudable. The female work participation rate in Kerala was only 15.85% while it was 22.26 for India as a whole. During the second All India census of small scale Industrial Units in 1988, only 5.95% of units in Kerala were owned by women against the All India average of 7.69%. In the 1990s women entrepreneurship in Kerala registered an upward trend much to the delight of policy formulators and decision makers. In 1997, the percent of units owned by women in Kerala rose to 15.77. The third All India census of Small Scale Industrial units in 1999-2000 showed marginal increase in the number of women entrepreneurs ie from 5.15% in 1987-88 to 5.59% in 1999-2000.[27]

Table 3.1

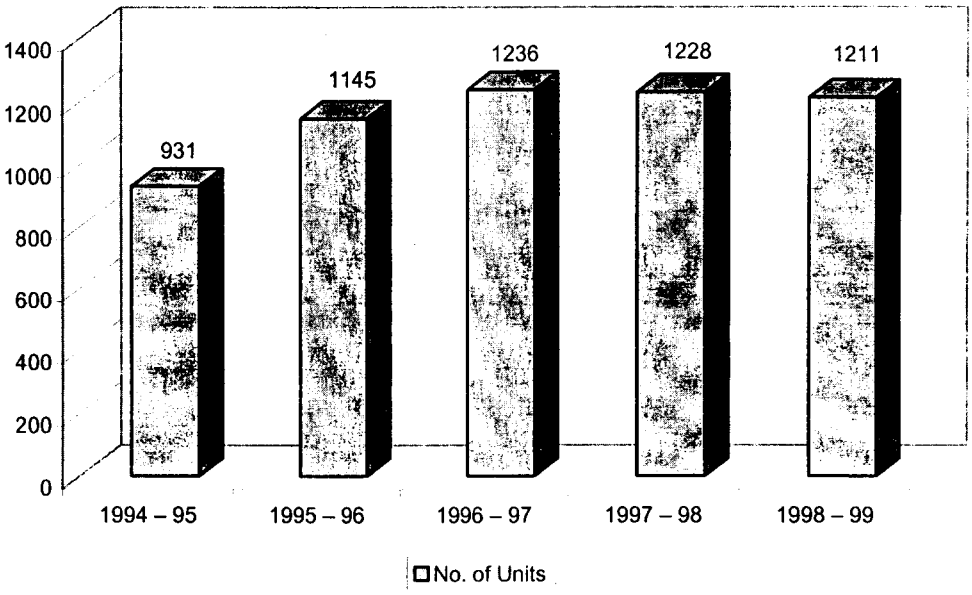
Number of Industries Registered in Kerala under women Industries Programme

Year	No. of Units
1994 – 95	931
1995 – 96	1145
1996 – 97	1236
1997 – 98	1228
1998 – 99	1211

Source: Vyavasaya Keralam, September 2001; 33 (3)

Fig. 3.1.

Number of Industries Registered in Kerala under women Industries Programme



During the year 1997-98, out of 19, 547 small-scale Industrial units Registered in the State, 4,666 were units owned by women entrepreneurs. With this the total number of units owned by women in Kerala came to 29,976 as on 31.3.1998[28]. During the year 1998-99 women entrepreneurs started 4,459 (22.59%) units out of 19,736 units registered in the state. As on 31.3.1999, units registered by women entrepreneurs reached 34, 435 (17.23%)[29].

Women's desired to work at the place of residence, difficulty of getting jobs in the public and private sectors and the desire for social recognition also motivated women in Kerala for self-employment[30].

Women entrepreneurs faced two types of problems (1) general problems faced by all entrepreneurs and (2) problems specific to women. Male dominating society, family ties, lack of need achievement, education and risk-bearing abilities were the examples of problems specific to women entrepreneurs. In a study of women entrepreneurs in Ernakulam district, it was found that most of the women entrepreneurs limited their growth due to reasons of fear of managerial problems, loss of tax incentives for SSI units, marketing problems, scarcity of finance and other related units[31]

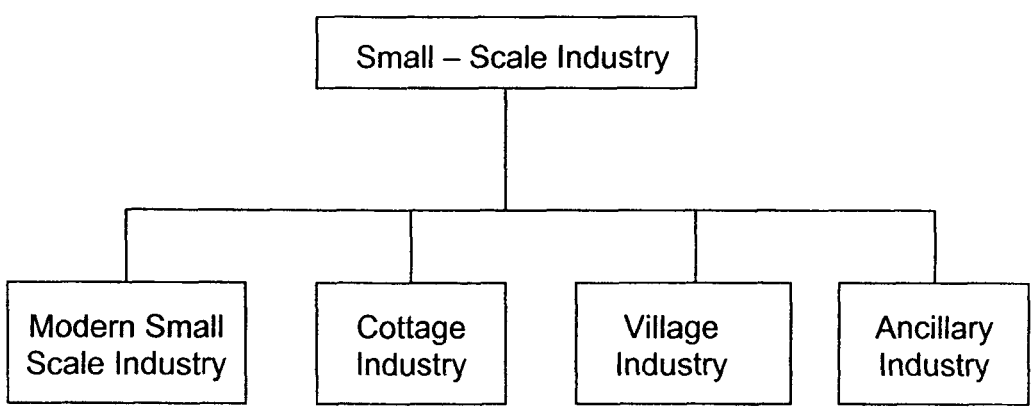
3.5. Small Scale Industries

The small scale sector assumed importance in our country owing to its inherent characteristics of higher employment potentiality, increasing income levels, increasing standard of living, lesser capital requirement, depending on untapped locally available resources, dispersal of industrial units, reducing regional imbalances and the like.

The small scale industry development ultimately led indirectly to the development of entrepreneurship. The industrial development could not be dreamt of without proper development of entrepreneurship. These two were like two sides of the coin that

one couldn't be thought without the other, which were very vital for accelerating economic development. Releasing the core importance of this sector, the Government of India has formulated industrial policies in favour of the entrepreneurs and has been offering packages of incentives and extending financial assistance to them. Consequently a good number of financial institutions and the allied agencies had come into being to meet the needs of the entrepreneurs.

For small – scale industries, the planning commission of India used terms 'village and small-scale industries'. These included modern small-scale industry and the traditional cottage and household industries. This is depicted in the following chart.



A small unit in India was that unit which has invested in plant & machinery upto a maximum of Rs.1 crore. Same investment limit applied in the case of Ancillary Industrial

Undertakings and Export Oriented Units. The units with investment in plant and Machinery upto Rs.25 lakhs were called tiny units. An ancillary unit is one which sold not less than 50% of its manufacture to one or more industrial units. The SSI sector in India, over the past 50 years, had made significant contributions towards building a strong and stable national economy.

The SSI Sector, as an important segment of Indian economy, accounts for;

- 95% of industrial units;
- 40% of output in the manufacturing Sector;
- employment to over 17 million persons;
- 35% of total exports

This sector covered a continuum of the artisans/handicrafts units it one end and modern production units with significant investments on the other producing a wide range of over 7500 products. The sector acted as a 'nursery' for the development of entrepreneurial talent. The SSI sector has been receiving special attention from the policy makers in addressing its requirements, be it credit, marketing, technology, entrepreneurship development, fiscal or infrastructural support.

The Department of SSI and Agro & Rural Industries (SSI and A & RI) was created under the Ministry of Industry, Government of India, to formulate policy frame work and initiate appropriate programmes and schemes for the promotion of SSIs in the country. The range of functions of the department included the setting up of a network of institutions to render services up of a network of institutions to render services of a varied nature like, techno-economic and managerial aspects, training, testing facilities, marketing assistance etc. These activities were supported by a host of other central / state departments, agencies and autonomous institutions all over the country.

The scheme of National awards to outstanding small scale entrepreneurs was introduced in the year 1983 to encourage primarily first generation entrepreneurs. In the Indian context, small industry has become broad based by giving special recognition to the service sector in its developmental programme and it was referred to as the small enterprise sector, particularly in the context of generation of self-employment opportunities.

SSI sector had seen employment generation at a compound annual rate of over 4.2% during the period 1991 to 1998. A total of 32.25 lakh units contributed a total production of Rs. 5,78,470 crores and employ 177.5 lakhs of people in 1999-2000. An idea of

the overall growth of this sector since 1994-95 can be obtained from the following table:-

Table 3.2

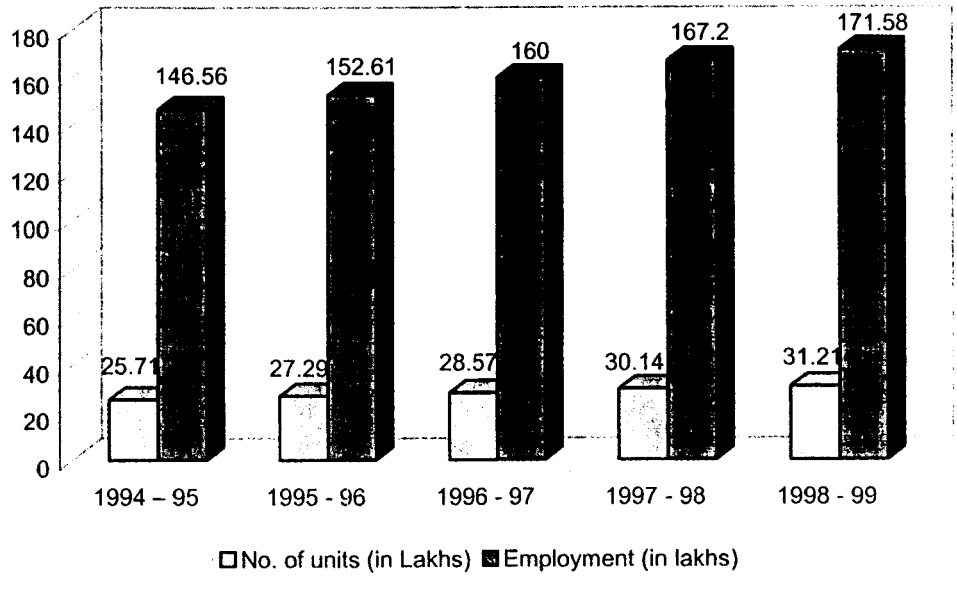
Over all performance of SSIs in India

Year	No. of units (in Lakhs)	Employment (in lakhs)
1994 – 95	25.71	146.56
1995 - 96	27.29	152.61
1996 - 97	28.57	160.00
1997 - 98	30.14	167.20
1998 - 99	31.21	171.58

Source: Laghu Udyog Samachar, July-Sept 1999 XXIII & XXIV (12 to 2) P.4.

Fig. 3.2

Over all performance of SSIs in India



Total number of units in small scale sector in India had increased from 19.48 lakhs in 1990-91 to 31.21 lakhs in 1998-99. During the year 1998-99, the contribution of small scale sector towards production at current price rate Rs.5,27,515 crores which was 1,55,340 crores in 1990-91.

It was widely recognized that SSIs had great export potentiality. The immense potential of the SSI sector in improving upon the country's share in the world trade and making it a dominant economic player in the next century could be assessed from its past performance as exporting sector of the economy. Exports from SSI sector has been growing at an annual rate of about 22.5% p.a. since 1991-92.

Table 3.3

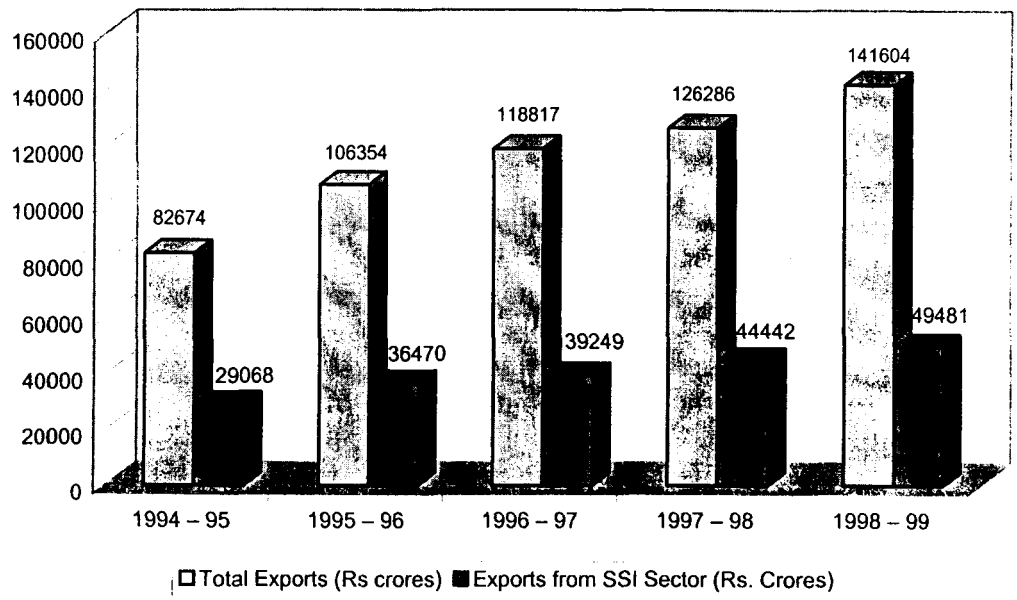
Growth of SSI Exports

Year	Total Exports (Rs crores)	Exports from SSI Sector (Rs. Crores)	Percentage Share
1994 – 95	82674	29068	35.1
1995 – 96	106354	36470	34.2
1996 – 97	118817	39249	33.4
1997 – 98	126286	44442	35.2
1998 – 99	141604	49481	34.9

Source: Laghu Udyog Samachar, July Sept 1999 P.5.

Fig 3.3

Growth of SSI Exports



In a span of two decades ie, 1971-72 to 1991-92, the total exports from the country increased by 27.3 times, while that from the SSI sector increased by 89.56 times.

Today the small scale sector produced a wide range of items, numbering about 7500. The items which played dominant role in terms of exports were readymade garments, leather products, processed food and marine products, engineering goods, electrical and electronic goods, plastic goods, basic chemicals and pharmaceuticals etc.

Experience world wide showed that the development of SSIs was one of the most cost effective ways of creating employment,

spreading industry, catalyzing Research and Development and allowing entrepreneurial talent to grow.

Small enterprises unlike the big enterprises with the layers of control and separation of ownership were inherently flexible to react to market signals and changing tastes. This made the small firms more innovative and open to new ideas. They also interacted more closely with their customers to be in touch with changing preferences. In addition, SSI units had better access to cheap labour and have lower overheads which helped them to reduce the cost of production.

3.6. Small Scale Industries in Kerala

In the post independence era when great emphasis was given to industrialization, Kerala had neither an entrepreneurial class nor the industrial climate to take advantage of the situation. This was perhaps the most important cause for the relatively poor industrial development of the state. Another reason for the sluggish growth of entrepreneurship in Kerala was the paucity of adequate capital for investment and unsatisfactory industrial relations climate. The Net Domestic Product of Kerala registered a growth of 45.1% during the period 1991-92 to 1997-98.[32] Kerala occupied fifth position among the major states in the country, climbing from ninth position during the six year period preceding 1991-92.

Unemployment continued to be a serious problem of the state. The number of job seekers on the live registers of the employment exchanges continued to be very large, it came to 37.90 lakhs in 1999, of which 58.4% were women. The Government of Kerala has targetted creation of employment of 15 lakhs persons (including self employment) over a period of 5 years[33]. The Department of Industries and Commerce has been traditionally implementing various schemes to provide subsidy / other incentives and also to train entrepreneurs.

Table 3.4

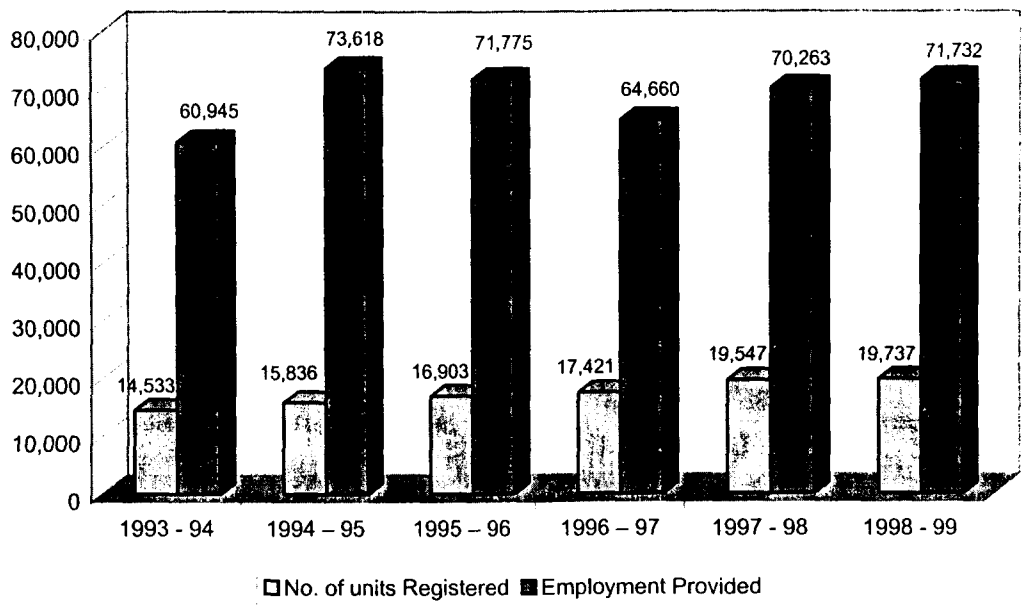
Year-wise details of SSI units Registered and Employment provided in Kerala

Year	No. of units Registered	Employment Provided
1993 - 94	14,533	60,945
1994 – 95	15,836	73,618
1995 – 96	16,903	71,775
1996 – 97	17,421	64,660
1997 - 98	19,547	70,263
1998 - 99	19,737	71,732

Source: Directorate of Industries & Commerce, Thiruvananthapuram

Fig. 3.4

Year-wise details of SSI units Registered and Employment provided in Kerala



During the year 1993-94, the total number of SSI units registered was 14,533 giving employment to 60,945 persons. During 1994-95, 15,836 SSI units were newly registered in the state, against a target of 15,000 units marking a growth of about 9% over the previous year. The capital invested by these units amounted to Rs.19217.92 lakhs. These units have created employment opportunities to 73,618 persons. The district-wise performance showed that Ernakulam (1915 units) and Thiruvananthapuram (1758 units) continued to maintain the top position. During 1995-96, a total number of 16,903 SSI units were newly registered in the state against a target of 16,000 marking a

growth rate of about 6.74% over the previous year. These units have created employment opportunities to 71775 persons. The district wise performance showed that Ernakulam (2000 units) and Thiruvananthapuram (1865 units) continued to maintain the top position in the registration of new SSI units. Total number of SSI units registered in Kerala as on 31st March 1996 recorded a level of 143123. During the year 1996-97, the total number of SSI units registered in the state stood at 17.421 providing employment to 64,660 persons. District-wise performance showed that Ernakulam (2227 units) and Thiruvananthapuram (1905 units) continued to maintain the top position. During the year 1997-98, 19547 units were registered giving employment to 70,263 persons. The total number of SSI units registered as on 31st March 1998 has been raised to 1,80,091 and employment generated to 9,09,859 persons. During 1998-99, 19,737 SSI units were newly registered giving employment to 71,732 persons.

The main results of sample survey of registered SSI units conducted during 2000-2001 for the reference year 1999-2000 are as under.[34]

Total No. of registered SSI units	:	19.63 lakhs
No. of working units	:	71%
No. of closed units	:	29%
Major reasons for closure	:	(i) Marketing Problem (ii) Finance Problem (iii) Could not survive competition

Distribution of working units – Rural	:	47%
Urban	:	53%
No. of working units exporting	:	2.71%
Total exports of registered SSI sector	:	17.01%
No. of working units owned/Managed by women	:	5.59%
SCS	:	5.80%
STS	:	2.60%
OBCs	:	17.51%

At present a number of incentives were offered to small units. The small Industrial Service Institutes, Small Industries Development Corporations and public sector banks conducted Entrepreneurial Development programmes for development entrepreneurial and managerial skill through direct experience and supply of information about the region and industrial potential. They provided the prospective entrepreneurs consultancy service in areas like project selection, preparation of project report and market surveys. Inorder to provide all facilities required by entrepreneurs to run small scale units in one place, industrial estates have been constructed by the state governments and Small Industries Development Corporations.[35]

3.7. Entrepreneurial Development Programmes

Entrepreneurship Education was the process of providing individuals with the concepts and skills to recognize opportunities

that others have overlooked and to have the insight, self-esteem and knowledge to act where others have hesitated. It included instruction in opportunity recognition, marshalling resources in the face of risk, and initiating a business venture. It also included instruction in business management processes such as business planning, capital development, marketing and cash flow analysis. There was a need for entrepreneurial education to promote better planned business start-ups, greater proficiency in start-up skills, effective new-firm management, greater public awareness, and more entrepreneurial ventures.[36] The objectives of entrepreneurial education included.

(1) increasing awareness of entrepreneurship as a career choice;

(2) improving student's prospects for business survival through a variety of conceptual and applied courses.

(3) informing students not interested in entrepreneurship of the nature and importance of entrepreneurship as well as the risks and difficulties encountered by entrepreneurs; and,

(4) Providing curriculum aimed specifically at developing entrepreneurial behaviour in key employees of firms.

Increased awareness regarding the usefulness of entrepreneurial training has resulted in demands even from existing small entrepreneurs for skills upgradation training. The first generation entrepreneurs who have not had any formal training in

entrepreneurship before taking the plunge was now feeling the need very strongly. They were looking for the development of skills and competencies of entrepreneurship so as to strengthen and improve their existing business.

Development of an entrepreneur meant inculcating entrepreneurial traits into a person, imparting the required knowledge, developing the technical, financial marketing and managerial skills, and building the entrepreneurial attitude. The process of entrepreneurial development involved equipping a person with the information used for enterprise building and sharpening his entrepreneurial skills.

Training entrepreneurs for business creation was undertaken for a variety of purposes. Most often, business creation was thought of in economic terms, for the wealth created in goods and services and for the jobs generated. This was illustrated by Patel's summary of the purposes of entrepreneurship development programmes undertaken by state Governments, Industrial Promotion Organisations and Development Banks.

1. Accelerated industrial development by enlarging the supply of entrepreneurs.

2. Industrial development of rural and less developed areas where local entrepreneurship was not readily available and

entrepreneurs from nearby cities and towns were not easily attractable.

3. Enlarging the small and small-medium enterprise sector which offers better potential for employment generation and wider dispersal of industrial ownership.

4. Providing productive self-employment to a number of educated and less educated youngmen and women coming out of schools and colleges.

5. Improving performance of small industries by enlarging the supply of carefully selected and trained "well-rounded" entrepreneurs and diversifying sources of entrepreneurship and therefore, business ownership.[37]

An EDP was based on the belief that individuals could be developed, their outlook could be changed and their ideas could be converted into action through an organized and systematic programme. EDPs had great scope in increasing the supply of new entrepreneurs to accelerate the process of industrialization. Training made a lot of difference in the performance of the entrepreneurs. Technical Training and self-employment generation schemes have been often misconceived as entrepreneurship development. It was stated that while all entrepreneurs all self-employed, all self-employed persons were not entrepreneurs.

Entrepreneurship was setting up of a commercial enterprise involving production or sale of a product or service and the persons concerned took risk, and its success generated further employment.

The entrepreneur perceived the commercial potential of an idea, marshalled the resources and provides the impetus to set in motion the commercial exploitation of the idea. For an entrepreneur, risk was associated with whether or not the idea will work, regarding marketability?, will the product or service perform as anticipated?, could the inputs be acquired/ etc. In fact, the entrepreneur was concerned with uncertainty. Financial risk bearing was not the essence of entrepreneurship. Thus entrepreneur-training provided training in the process of business creation.

The objective of the programme of training in entrepreneurship development was to develop motivation of potential entrepreneurs, helped them in taking up suitable enterprises and activities, enable them to prepare economically viable and technically feasible project reports and enhanced their enterprise-building skills. The training programme further enabled entrepreneurs to develop skills in identifying suitable items for manufacture which would 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. There was a 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.

3.8. Basic Features of EDPs

The basic features of EDPs are listed out below:-

(1) Identification and careful selection of entrepreneurs for training;

(2) Development of the entrepreneurial capabilities of the trainees;

(3) Equipping the trainees with basic managerial understanding;

(4) Ensuring a viable industrial project for each potential entrepreneur;

(5) Helping him to secure necessary financial, infrastructural and related assistance; and

(6) Training cost was highly subsidized and only a token fee was charged.

3.9. Phases of EDPs

An entrepreneurship development Programme consisted of the following three phases:[38]

1. Pre-training phase
2. Training phase
3. Post-training phase (Follow-up)

3.9.1. Pre-training Phase

The activities and preparations required to launch the training programme come under this phase. This phase, accordingly, included the following.

(a) Selection of entrepreneurs

(b) Arrangement of infrastructure

(c) Tie-up of Guest faculty for the training purposes

(d) Arrangement for inauguration of the programme

(e) Selection of necessary tools, & techniques to select the suitable entrepreneurs.

(f) Formation of Selection Committee for selecting trainees.

(g) Arrangement for publicity media and campaigning for the programme.

(h) Development of application form.

(i) Finalisation of training syllabus.

(j) Pre-potential survey of opportunities available in the given environmental conditions.

3.9.2. Training Phase

The main objective of this phase was to bring desirable change in the behaviour of the trainees. In other words, the purpose of training was to develop 'need for achievement' ie, motivation among the trainees. Accordingly, a trainer should see the following changes in the behaviour of the trainees.[39]

(a) Was he/she attitudinally tuned very much towards his/her proposed project idea?

(b) Was the trainee motivated to plunge into entrepreneurial career and bear risks involved in it?

(c) Was there any perceptible change in his entrepreneurial attitude, outlook, skill, role etc?

(d) How should he/she behave like an entrepreneur?

(e) What kinds of entrepreneurial traits the trainee lacked the most?

(f) Whether the trainee possessed the knowledge of technology, resources and other knowledge related to entrepreneurship?

(g) Does the trainees possessed the required skill in selecting the viable project, mobilizing the required resources at the right time?

Some of the questions listed above also answer the basic underlying assumption in designing a suitable training programme for the potential entrepreneurs. Having trained the trainees, the trainers needed to ask themselves as to how much, and how far the trainees have moved in their entrepreneurial pursuits.

3.9.3. Post-training phase

The ultimate objective of the EDP was to prepare the participants to start their enterprises. This phase, therefore involved assessment to judge how far the objectives of the programme have been achieved. This was called 'follow-up'. Follow-up indicated our past performance; drawbacks, if any, in our past work and suggested guidelines for framing future policies to improve our performance. The purpose behind EDP follow-up was to:

(a) Review the pre-training work;

(b) Review the process of training programme; and

(c) Review post training approach.

Our EDP and other training programs while fulfilling quantitative / statistical target, were found to be wanting the creation of entrepreneurs who actually implement industrial projects.[40] This Lacuna has to be tackled by a three pronged approach.

(i) Identify prospective entrepreneurs (especially the youth with technical / business background) and enabled them by training, advice and escort services to create appropriate enterprises either singly or jointly with similar others for starting relatively bigger projects which had better economics of scale and higher resistance to the forces of competition.

(ii) Create and constantly update a shelf of projects which would have high degree of success within the state and annually revise the project cost each with the concurrence of commercial banks and NABARD so that arbitrary cuts by bank managers an individual application for loans by entrepreneurs would not result in under-funding and the non-survival of the project.

(iii) Revise the content and the effectiveness of the EDP and other training programs including those for Industries Department Personnel. So that entrepreneurs were better prepared to take up these projects in the new sunrise areas and department personnel were fully equipped to give technical and other assistance to prospective entrepreneurs in these thrust sectors.

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A STUDY ON THE EFFECTIVENESS OF ENTREPRENEURIAL DEVELOPMENT PROGRAMMES FOR THE DEVELOPMENT OF SMALL SCALE INDUSTRIES IN KERALA

THESIS
SUBMITTED TO THE UNIVERSITY OF CALICUT FOR THE AWARD OF THE DEGREE OF DOCTOR OF PHILOSOPHY IN COMMERCE

BY
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ENTREPRENEURIAL DEVELOPMENT PROGRAMMES IN KERALA

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CHAPTER - IV

ENTREPRENEURIAL DEVELOPMENT PROGRAMMES

Development of entrepreneurship is an essential pre-requiste for the economic prosperity of a particular region, society or a nation. Education/training and entrepreneurship are highly positively related. It gains premium from the fact that entrepreneurs are made and not born. To a greater extent entrepreneurs are made through education and training. The right type of entrepreneurial training helps to identify and develop the natural, inherent and potential virtues of the human beings which are lying dormant. Hence it was widely accepted that entrepreneurship could be developed through well conceived and well integrated entrepreneurial training programmes. Institutions of higher education have re-oriented themselves by including entrepreneurial development courses in their curriculum. There was a belief that entrepreneurial ventures were inherited. The role of education and training proved the emergence of a greater number of first generation entrepreneurs.[1] This psychology of the government as well as of social reformers have engineered the idea of entrepreneurship development programmes in India[2].

It is proposed in this chapter to study the work done so far in the field of entrepreneurship by various promotional agencies in

Kerala. At present numerous promotional agencies are enthusiastically involved in administering and implementing the programmes of entrepreneurship development in their respective areas. An attempt is being made here to evaluate the progress and operational efficiency of the ongoing programmes in the field of entrepreneurial development in Kerala.

One of the objectives of this research study was to find out the practices of Entrepreneurship Development in Kerala State. Required data for determining the current practices of entrepreneurship development were collected with the help of structured interview schedules. Personal interviews were conducted with the executives and faculties of Training Institutions by personally visiting various training institutions and support systems. Discussions were also made with Management Trainers and Co-ordinators of Entrepreneurial Development Programmes of various Institutions.

The importance of entrepreneurial resource as a crucial input in the process of economic development has not been widely recognized by the researchers and policy makers. EDP was intended to give working knowledge of industrial promotional agencies, project report preparation, general management of SSIs,

besides transforming the prospective entrepreneurs by achievement motivation.

Research studies conducted by individuals and research institutions[3,4,5] have proved that entrepreneurs could be developed by proper selection and Training. Through the EDP, the potential entrepreneurs were imparted the technical and other job specific skills relating to the preparation of the project reports, implementation of the projects after procuring the reports and various inputs required including finance and lastly the Management of the units during the normal period as also abnormal period.

For a long period of time, the EDPs continued to be an urban phenomenon with little attention given to the rural areas. This was because of the fact that the experiment was first tried in cities, where constraints were fewer. It was a fact that potential for entrepreneurship in the rural areas was unlimited, unexploited and lying dormant in all the states. The population in the villages were endowed with a variety of traditional skill, which needed to be properly utilized in a commercial manner to ensure not only an economic independence for them, but also to achieve decentralization of economic power among all the regions of the economy. At present the EDPs were being tried both in the urban

and rural areas with increasing better results coming from the rural areas.[6]

The EDPs promote entrepreneurial qualities, develop confidence in the entrepreneurs to start and successfully run one's own enterprise. An ideal EDP was a package covering initiation (the selection process of potential candidates), development (training inputs) and follow up and support (Post-training support). Each phase having well-thought out input and action plan linking other phases and prevailing support system.[7]

Entrepreneurial development programme (EDP) should be designed to help an individual in strengthening his entrepreneurial motive and in acquiring skills and capabilities necessary for playing his entrepreneurial role effectively. It was necessary to promote this understanding of motives and their impact on entrepreneurial values and behaviour for this purpose. An EDP was based on the belief that individuals could be developed, their out-look could be changed and their ideas could be converted into action through an organized and systematic programme. The comprehensive training package was based on conceptual understanding of the process of entrepreneurship development. There were various stages through which an entrepreneurs had to pass before establishing a new venture. The key decisions concerning product, investment,

location etc. and the corresponding action links could be summarized as in the following table.

Decision Areas		Action Links
To become entrepreneur	-	Motivation and awareness
Product decision	-	Business opportunity study
Investment decision	-	Project formulation
Location decision (infrastructure)	-	Assessing requirements and its availability
Policy decision	-	Establishment of venture
Managerial decision	-	Successful operation of unit[8]

In a workshop organized by the East-west Centre Technology Institute, Hawai, the EDP experiences of various countries were discussed which revealed that training made positive contributions in the performance of entrepreneurs. The supply of entrepreneurship in a society was largely influenced by the presence of individuals with the initiative, foresightedness, organizing and managerial competence. These qualities and skills were not always acquired from the family, rather they could be developed through a proper and effective procedures of selection and training of individuals.[9] The entrepreneurs required a lot of information for

setting up a business and in that context the contribution of EDPs was essentially in the area of disseminating knowledge on financial, technical and managerial aspects. To that extent, these programmes were not basically programmes towards entrepreneurship development, but were in the nature of supportive programmes for the existing and new entrepreneurs.[10]

Training for entrepreneurship goes much beyond mere provision of information to the trainees. The inputs had to be designed to meet the basic objectives which an EDP seeks to fulfill. These could be summarized as:-

(i) Developing the motivation of Potential entrepreneurs;

(ii) Developing their enterprise building skills;

(iii) Helping them to develop their project ideas into bankable projects; and

(iv) Giving them a fair idea about the operational aspects of their enterprises.

EDPs have been designed to identify persons with entrepreneurial abilities and to train them to set up new small/tiny industries (SIDBI Report 1999). SIDO with its Filed offices (institutes and branch institutes) all over the country has been

training entrepreneurs through various programmes for different target groups such as: (i) educated unemployed, (ii) women, (iii) weaker section, (iv) rural artisans, (v) physically handicapped, (vi) students, (vii) defence personnel, (viii) technocrats, (ix) entrepreneurs under self-employment schemes etc. The aim of SIDBI's EDPs is to build and nurture a reservoir of entrepreneurs.

At present, EDP work is undertaken by over 50 different agencies in various states. These include 25 SISIs, 17 TCOs, Nationalised Banks, Management Institutions and Voluntary organizations. Even Universities and colleges are evincing interest in entrepreneurship and are offering optional papers in the subject as part of their regular course curriculum.

4.1. Institutions involved in providing EDPs

Throughout the 1960s, 1970s, 1980s & 1990s there has been a growing awareness of the important social and economic roles of the small business sector and of the importance of entrepreneurship to the growth of the economy. This has been true in both the developed and developing economics of the world. In the developed economies it has been found that the small scale enterprises have provided most of the net new jobs created over the

last decade.[6] Most entrepreneurship development programmes in developing countries arise as a result of manpower development and employment generation.

The first major systematic effort to identify and develop new entrepreneurs in India had begun in the State of Gujarat in 1970. Encouraged by the continued success of EDP activities in Gujarat, a number of official and semi official agencies took up similar EDPs in their respective areas. The entrepreneurship training has generated "Entrepreneurship Revolution" in India in general and zero industry districts and backward areas in particular. There were a number of institutions involved in providing EDPs in India.

4.2. Entrepreneurial Development Programmes at the National Level

4.2.1. Xavier Institute of Social Services – Ranchi

Xavier Institute of Social Services has been training village entrepreneurs since 1974. It offers a six-month programme to tribals with minimal literacy and numeracy skills, involving technical training by placement with local trades people, motivation training, management training, project preparation, follow-up and counselling.

4.2.2. Madhya Pradesh consultancy organization Ltd – M.P.

This technical and management consultancy organization, promoted by All India Financial Institutions and State Corporations undertakes assignments for project planning, detailed engineering, market surveys, management services and EDPs. The EDPs are conducted for 4 target groups: (a) technical graduates, (b) unemployed graduates (general category), (c) SC/ST & others and (d) women.

4.2.3. Calcutta "Y" Self-employment Centre-Calcutta

This centre began as a vocational programme to provide self-employment for educated youths. It has developed innovative approaches to help people set up their own businesses and to reach the much smaller economic activities of rural dwellers. Its target group is youths between 18 and 30 years of age who are currently without regular employment.

4.2.4. Entrepreneurship Development Institute of India (EDII)

EDII, Ahmedabad is an autonomous non-profit institution, set up in 1983 sponsored by financial institutions such as IDBI, IFCI, ICICI, and State Bank of India. The Government of Gujarat has also provided assistance for the setting up of EDII. EDII has

been spearheading an entrepreneurship movement throughout the nation with a belief that entrepreneurs need not necessarily be born; they can be developed through well-conceived and well-directed activities. EDII has supported creation of centres for Entrepreneurship Development and Institutes of Entrepreneurship Development in various states of the country to achieve institutionalization of ED activities.

4.2.5. National Institute for Entrepreneurship & Small Business Development (NIESBUD)

NIESBUD was set up in 1983 by the Ministry of Industry, Govt. of India as an apex body for co-ordinating and over seeing the activities of various institutions/agencies engaged in entrepreneurship development especially in the area of Small Scale Industry. NIESBUD is involved in conducting training programmes for trainees and entrepreneurs, preparing model syllabi for training various target groups, undertaking research / documentation, conducting seminars and developing training as well as teaching aids. The Institute acts as a nodal agency in the field of entrepreneurship for small business and organizes about 29 national and 61 International training programmes every year. (SIDBI Report on SSI Sector, 1999).

4.2.6. Centre for Entrepreneurship Development CED, Gujarat

The Gujarat Government established CED in 1979. Gujarat EDP is the oldest and the largest operating programme in India. CED was the first specialized institute of its kind in the country, exclusively devoted to the task of entrepreneurship development. During the past 20 years, over 12,000 persons were trained by the centre out of which nearly half of them have set up their own units.[11] Recognising the need for creating entrepreneurship among women, CED initiated EDP for women in 1980.

4.2.7. National Institute of Small Industry Extension Training (NISIET) Hyderabad

NISIET is engaged in Training, Research and consultancy activities for the development of small industry. Training programmes of NISIET were oriented towards transfer of skills for small industry development in both India and other developing countries. NISIET is an autonomous body functioning under the purview of Ministry of Industry.

4.2.8. Small Industry Service Institute (SISI)

SISI is a premier organization established by Government of India soon after independence. The Institute offers vast variety of services like conduct of market survey, technology demonstration,

preparation of techno – economic feasibility reports, marketing of products, product standardization, management consultancy, training etc. to potential and existing entrepreneurs.

4.2.9. SBI's Programmes

The State Bank of India formulated an elaborate plan to conduct the EDPs particularly in the backward areas and started conducting such programmes since 1978. As per the Bank's model, the EDPs consist of one month's intensive training in Behavioural Sciences, aspects of Management and field training. During this period, the entire cost of boarding and lodging was borne by the Bank. SBI's EDP starts with Achievement Motivation. Training (AMT) followed by Technical and Managerial inputs for starting and running industrial units and visits to a few running units. There was provision for follow-up meetings, organized by the Bank for about one-and-a-half to two years. The bank provided liberal financial assistance to the candidates trained under the programme. Entrepreneurship Development cells have been functioning at all the Local Head Offices of the Bank.

4.2.10. Technical Consultancy Organisations (TCOs)

Access to high quality consultancy services improves the operational efficiency of entrepreneurs. All India financial

institutions have set up 17 TCOs to provide industrial consultancy and training to entrepreneurs. These organizations provide a comprehensive package of services to small entrepreneurs. In the field of training, TCOs identify potential entrepreneurs, train them and render post-training counselling and guidance in selecting projects, preparing project profiles and establishing their own units.

4.2.11. Rural Development and Self-Employment Training Institute (RUDSET)

This is an organization jointly sponsored by Canara bank, Syndicate bank & Sri Dharmasthala Manjunatheswara Education Trust. The objective of RUDSET is economic upliftment through the promotion of entrepreneurship in the youth between the age group of 18 and 35. They assist the trainees in preparing project reports and in securing financial assistance from banks.

4.2.12. Science and Technology Entrepreneurship Development (STED)

Science & Technology Entrepreneurship Development Project, popularly known as STED, is an autonomous organization under the Department of Science & Technology, Govt. of India. The prime objective of STED is entrepreneurial development and employment generation through science & technology inputs.

4.3. EDPs in Kerala

In the state, during 1993-94, 465 prospective entrepreneurs were trained and 7 units were started. During 1994-95, 392 prospective entrepreneurs were trained under EDP while 30 persons trained under the programme had started new SSI units. During 1995-96, the total number of entrepreneurs trained were 1665 and the number of new units started were 68.53%. In 1996-97, the number of entrepreneurs trained were 1210 but only 7.02% could start new units and in 1997-98, 596 prospective entrepreneurs were trained 9.40% launched new units. In 1998-99, the number of trainees rose to 3034, but only 2.27% could start new units.

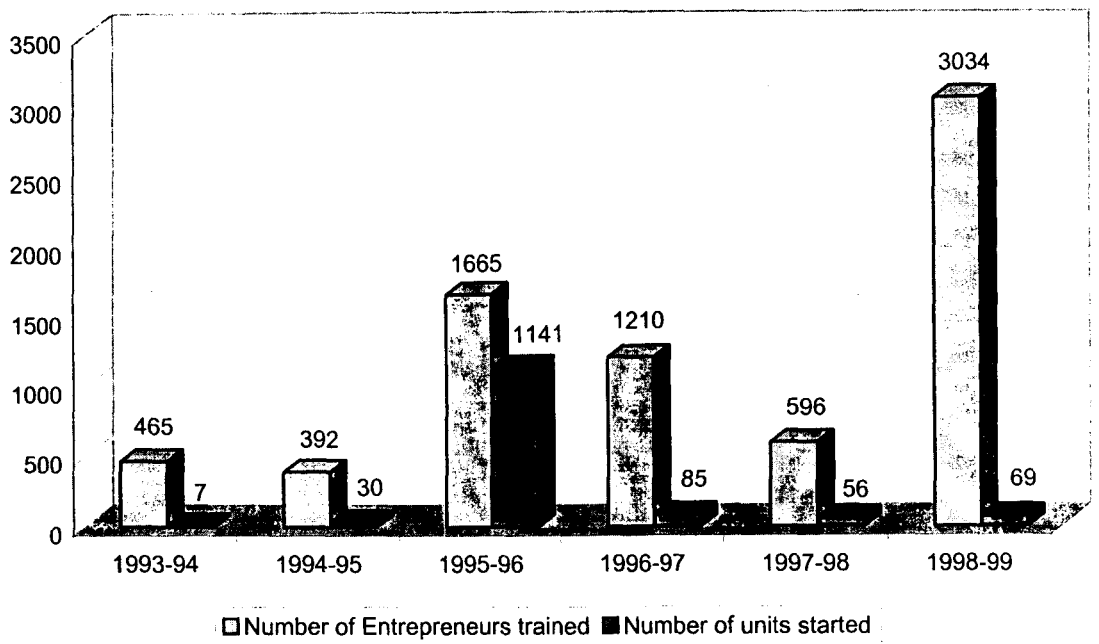
Table: 4.1

Year-wise details of entrepreneurship Development Programmes in Kerala

Year	Number of Entrepreneurs trained	Number of units started	Percentage of units started to total trainees
1993-94	465	7	1.51
1994-95	392	30	7.65
1995-96	1665	1141	68.53
1996-97	1210	85	7.02
1997-98	596	56	9.40
1998-99	3034	69	2.27

Source: Directorate of Industries & Commerce, Thiruvananthapuram

Fig. 4.1
Year-wise details of entrepreneurship Development Programmes in Kerala



4.4. Organisations involved in EDPs in Kerala

Important organizations involved in offering entrepreneurship training in the state have been categorized as under:-

1. Centre for Management Development, Thiruvananthapuram (2) Kerala Industrial and Technical Consultancy Organisation Ltd (KITCO) Cochin, (3) SISI, Thrissur, (4) District Industries Centres of all Districts, (5) STED Projects in all Districts, (6) Entrepreneurship Development cell of Regional Engineering College, Calicut, (7) Common Facility Service Centres at Changnacherry and Payyanad, Manjeri and (8) Small

Entrepreneurship Promotion Training Institute (SEPTI), Thiruvalla. In addition to these, some institutions provided EDP for a short period and some institutions started providing EDP recently. Among these include Institute of management in Government (IMG), Thiruvananthapuram and its Regional Centres provided some EDPs, Kerala State productivity council, Kalamassery also provided some EDPs, but they are not conducting EDPs now. Centre for Electronics Design and Technology of India (CEDTI), Calicut, Kerala State Women Development Corporation, Centre for Development, Thamarasseri, Calicut, a Non-government Organisation etc. have started providing EDPs recently. Nationalised banks like SBI & SBT are not providing EDPs now and State Bank of Travancore conducts Entrepreneurship Awareness Programes to students.

4.5. Institutions included in the present study

Since this is an all Kerala study, it concentrated on those institutions which are conducting EDPs in different parts of Kerala and those in which potential entrepreneurs from different parts of the state are participating. The pilot study revealed that some institutions were conducting EDPs in some sector-specific areas, in some institutions, only local participants have been joining for EDP, some production centres which were conducting EDPs were

closed, and some institutions stopped EDPs and are now concentrating on other areas of Development. Institutions like CEDTI and Kerala State Women Development Corporation have started EDP in 1999 and 2000 respectively. It was not proper to assess their training programmes within such a short period. Therefore these institutions were excluded from the scope of the present study. Hence this study was mainly confined to training programmes of centre for Management Development (CMD), Kerala Industrial Technical Consultancy Organisation (KITCO), Small Industries Service Institute (SISI), Science & Technology Entrepreneurship Development (STED) & District Industries centres which have been conducting EDPs in different districts of the state and Entrepreneurship Development cell of Regional Engineering College, where participants from different districts were attending EDPs.

4.6. Objectives of Institutions

Institutions were asked about their objectives with the purpose of knowing whether they give core importance to EDPs. The main objective of some institutions was the development of entrepreneurship to promote small scale industries where as some institutions were conducting EDPs as one of the training programmes they were conducting.

4.6.1. Centre for Management Development (CMD)

The centre for Management Development (CMD), Thiruvananthapuram established in 1979 under Act XII of "The travancore Cochin Literary, Scientific and Charitable Societies Registration Act, 1955". The principal activities of the centre were entrepreneurship training for small businesses; management training for personnel working in industry, government and NGOs; Research studies; and advisory services for developing projects. These activities spanned across six major areas viz., agribusiness; cooperatives and non-governmental organizations; corporate enterprises; development agencies; natural resources management; and small businesses. Since 1983, the centre has been involved in conducting EDPs with the sponsorship of governmental agencies and public institutions such as IDBI and SIDBI. In a year, CMD trains about 500 persons through its EDPs, and they covered different target groups and sectors of economic activities. Management Training Programmes for existing entrepreneurs, Trainer's training Programmes, workshop for women entrepreneurs and special development programmes for the promotion of SSI units were other activities undertaken by the centre.

Table: .4.2

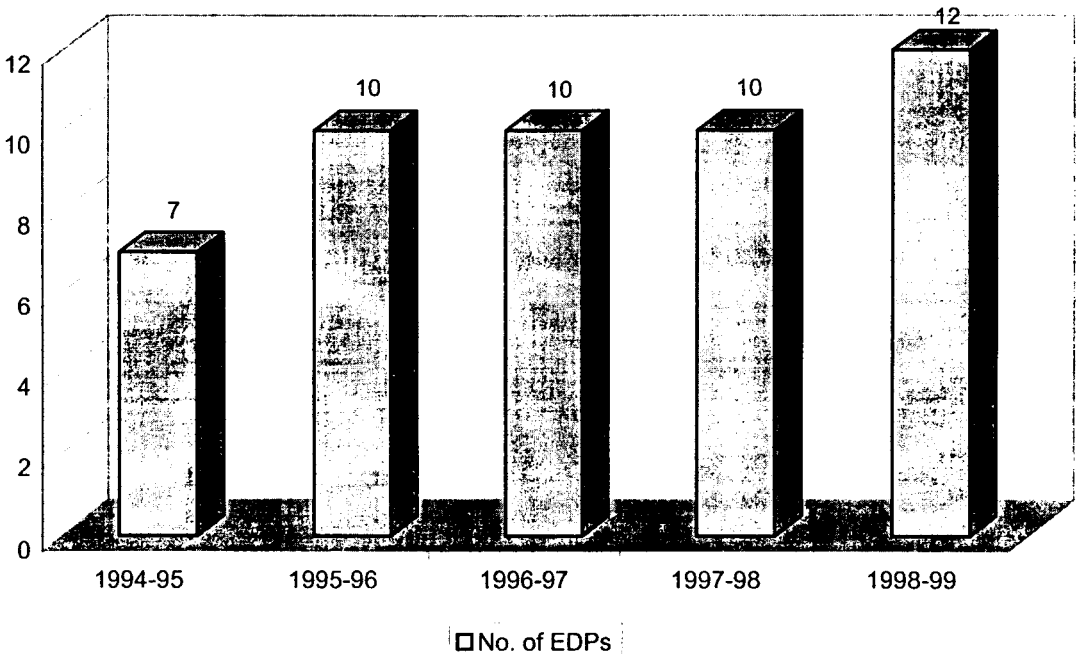
EDPs Conducted by CMD, Thiruvananthapuram

Year	No. of EDPs	No. of trainees
1994-95	7	176
1995-96	10	254
1996-97	10	230
1997-98	10	236
1998-99	12	339

Source: Survey data

Fig. 4.2

EDPs Conducted by CMD, Thiruvananthapuram



4.6.2. Small Industries Service Institute (SISI)

Small Industries Service Institute (SISI), Thrissur is a field level agency of Small Industries Development Organisation (SIDO) to take care of the needs of the small scale sector in the state of

Kerala in the area of Techno-economic and managerial consultancy services. SISI, Thrissur started in 1956 is one of the field level agencies of SIDO and is the only one of its kind in Kerala. The SISI Thrissur with its 3 extension centers at Calicut, Shornur and Alleppey and a nucleus cell for Lakshadweep, caters to the various needs of existing and prospective entrepreneurs of Kerala State and Union Territory of Lakshadweep. Apart from offering various consultancy services, this institute also offers various technical and management training programmes for the benefit of prospective/existing entrepreneurs. SISI offers a wide variety of consultancy services as well as training programmes for the promotion and development of small scale industries. The major services in brief were project assistance, which included identification of projects and preparation of project report, Modernisation and Technology upgradation, sick unit revival programme, Ancillary Development Programme, Training Programmes which consisted of Management Development courses Training for PMRY beneficiaries & EDPs. In addition to these SISI conducted Skill Development Training Programmes, Managerial Assistance/Export Assistance, Economic Research Information Services which include District Industrial Potential Surveys, Market Potential Surveys Govt. Policies and Programmes, Incentives and facilities available, Energy conservation studies, Pollution Control

Studies, Motivation campaigns & Quality awareness/upgradation Programmes.

Table: 4.3

Details of EDPs conducted by SISI

Year	No. of EDPs	No. of Persons trained
1993-94	14	310
1994-95	4	68
1995-96	4	105
1996-97	6	132
1997-98	8	216
1998-99	15	430

Source: Survey data

Fig. 4.3

Details of EDPs conducted by SISI

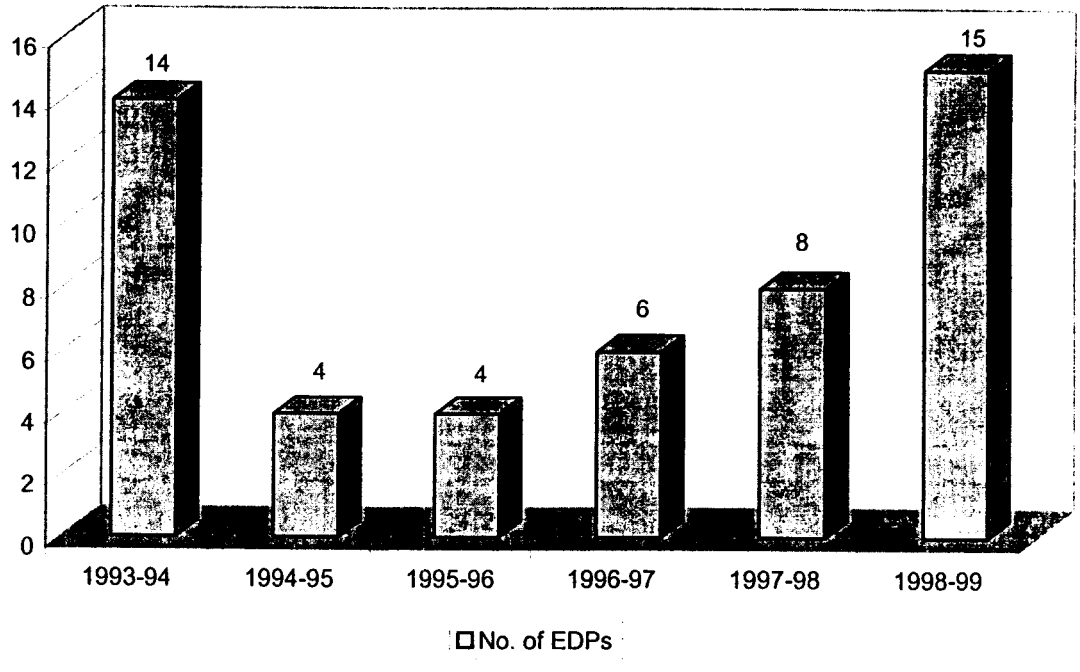


Table: 4.4

Small Industries Service Institute (SISI) –Achievement during 1998-99

Sl.No. Achievement	Nature of Activity	Unit	
1.	2	3	4
1	Units visited for providing technical assistance	(No.)	427
2	Visitors rendered assistance at SISI premises	"	
	a. Assistance to Prospective entrepreneurs	"	3414
	b. Assistance to existing entrepreneurs	"	424
	c. Management and Marketing Related Assistance	"	58
3	Preparation of State Profile	"	1(State Profile of Kerala revised
4	Preparation of Industrial Potential survey report	No. of Districts	3 (Tvpm, Mlpm & Kannur)
5	Project Profiles	No	40
6	Ancillary Development Programmes	"	233
7	Motivation campaigns	"	3
8	EDPs – 4/6 weeks duration		
	i. Courses undertaken	No.	13
	ii. Persons trained	"	1121
9	Management Development Programmes		
	i. Courses undertaken	No.	13
	ii. Persons trained	No.	276
10	Common Facility Workshop/Lab performance		
	i. Training (including skill dev elopement programme)	No.	27
	ii. Persons trained	"	290
	iii. Jobs undertaken	"	409
	iv. Units benefited	"	138
	v. Revenue (from common facility workshops, course fee and sale proceeds)	Rs.lakhs	7.58
11	Export Promotion (Export Assistance/Training)	No.	101
12	Packing (Persons trained)	"	39

Source:- SISI, Thrissur

4.6.3. Kerala Industrial and Technical Consultancy Organisation (KITCO)

KITCO, a premier consultancy organization in the public sector established by IDBI, IFCI, ICICI, banks & Govt. of Kerala, made its mark in entrepreneurship and human resources development. Since inception in 1972, KITCO has conducted more than 1200 training programmes such as EDP, Technology Clinic (TC), Technology Transfer (TT), Entrepreneurship Awareness programme (EAP) Management Development Programme (MDP), PMRY Training Programme and Skill Development Training. More than 200 EDPs were to the credit of KITCO giving an insight into the industrial activities to more than 6000 youth comprising 20% women. It has completed Industrial Potential Surveys of all the 14 districts of Kerala. KITCO has prepared more than 2000 project reports covering a vide spectrum of industries in small, medium and large scale sectors. It has carried out pre-investment studies market surveys and techno-economic research studies for different industrial products and activities. The programmes were sponsored by Directorate of Industries and Commerce, Govt. of Kerala, National level financial institutions, commercial banks and Department of Science & Technology. KITCO Data Bank is a store house of information for entrepreneurs, business community and other engaged in industrial promotion.

Table: 4.5

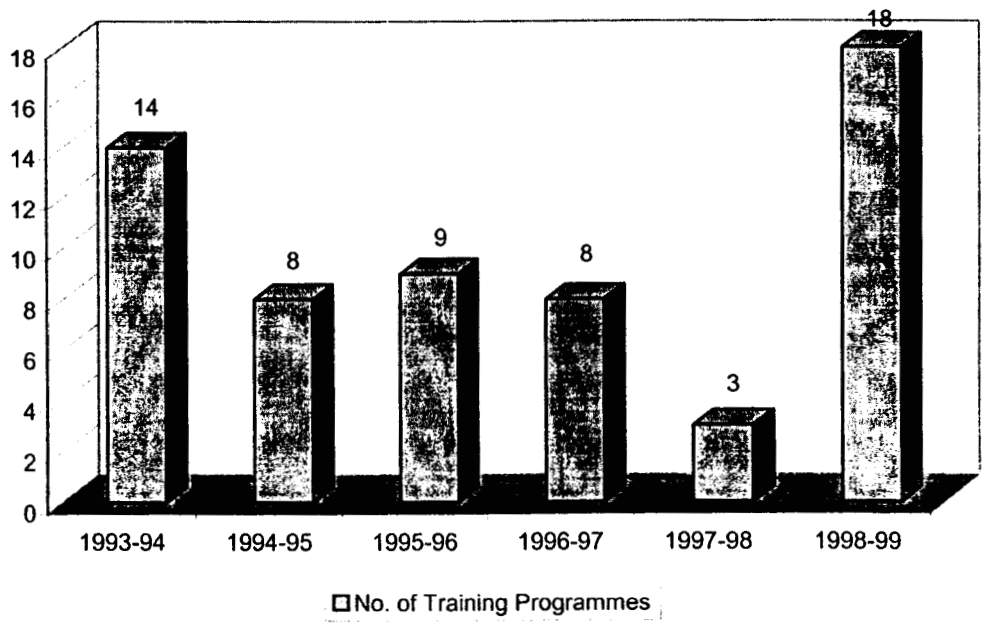
No. of EDPs conducted by KITCO from 1990-91

Year	No. of Training Programmes	Total No. of Entrepreneurs trained
1990-91	21	527
1991-92	20	474
1992-93	19	493
1993-94	14	350
1994-95	8	205
1995-96	9	166
1996-97	8	251
1997-98	3	93
1998-99	18	540
1999-2000	10	250

Source: Survey data

Fig. 4.4

No. of EDPs conducted by KITCO from 1990-91



Department of Science and Technology, Govt. of India established the National Science and Technology Entrepreneurship Development Board (NSTEDB) in 1982 in order to generate employment opportunities among S & T personnel in the country. With this aim the NSTEDB has started.

(1) Science & Technology Entrepreneurship Development (STED) projects in 13 states.

(2) S & T Entrepreneurship Parks (STEP)

(3) Entrepreneurship development Cells (EDC)

4.6.4. Science & Technology Entrepreneurship Development (STED)

STED project, Kozhikode is one among the 13 projects initiated by NSTEDB in 1985. STED project is actively involved in Entrepreneurship Development and Technology dissemination. They have supported the establishment of large, Medium & Small Scale Industries in various sectors. A number of Entrepreneurship Awareness Programmes (EAPs), Management Development Programmes (MDPs), EDPs, Technology Clinics (TCs) etc. were conducted in association with various Govt. Departments and Quasi-government agencies. From 1992 onwards through Mission for Employment Generation Through Scientific Technology

(MEGSAT) programmes, they have been able to create sustainable employment opportunities for 8500 unemployed youths throughout Kerala.

The primary objectives of STED projects are:-

- Sustainable employment generation through S & T inputs;
- Creating Entrepreneurship awareness among people, especially among S & T persons;
- Identifying and motivating Potential Entrepreneurs especially S & T persons;
- Collecting and compiling information and data on resources;
- Providing product and project ideas to potential entrepreneurs;
- Preparing detailed project reports etc.

Table: 4.6

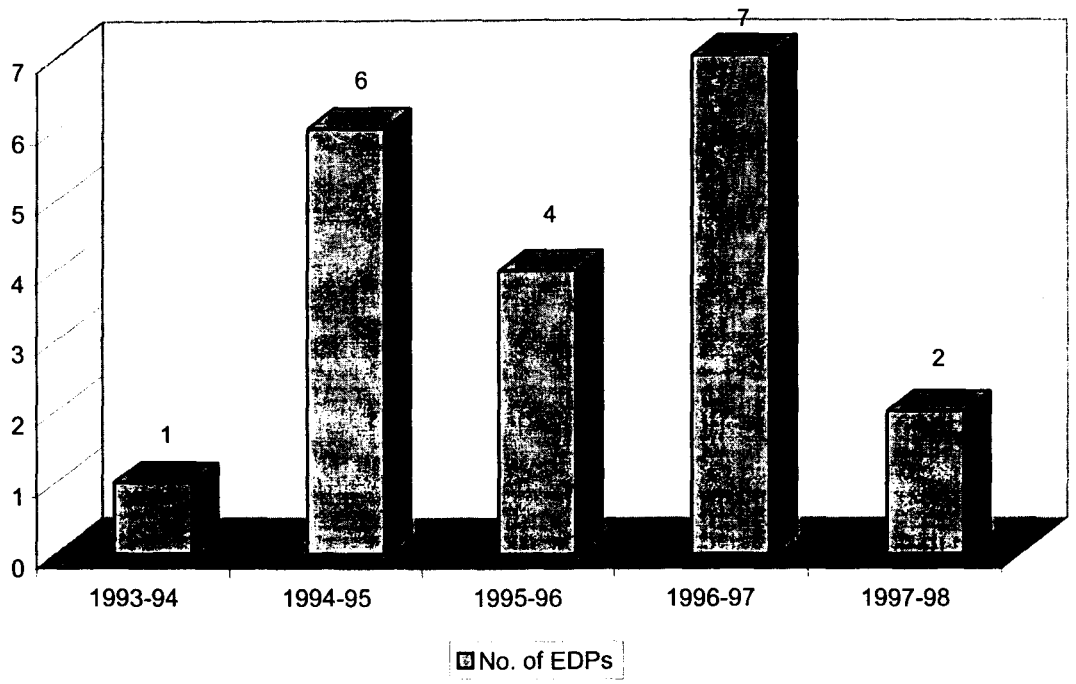
EDPs conducted by STED

Year	No. of EDPs	No. of Participants
1993-94	1	30
1994-95	6	177
1995-96	4	115
1996-97	7	155
1997-98	2	74
Total	20	551

Source: Survey data

Fig. 4.5

EDPs conducted by STED



4.6.5. Entrepreneurship Development Cell, REC, Calicut

With an objective of identification of Potential entrepreneurs and provision of proper motivation and training, the Govt. of India has promoted different agencies to conduct EDP and also set up Entrepreneurship Development Cells (EDCs) in some selected educational institutions. An Entrepreneurship Development Cell (EDC) is functioning at the Regional Engineering College, Calicut with the assistance of the Ministry of S & T, Govt. of India.

The main objectives of the cell are:-

- Create an entrepreneurship culture among the S & T students and graduates in this region;

- Organise Entrepreneurship Awareness camps and EDPs.
- Project the importance of Entrepreneurship in curriculum of the Engineering courses;
- Conduct research work and survey for identifying entrepreneurial opportunities;
- Guide the prospective entrepreneurs in obtaining their project approvals, bank loans and support facilities etc.

The EDC is conducting EDPs once or twice in a year. These programmes provide the prospective entrepreneurs the necessary training in the areas of Small Scale Industry Management, Marketing and Finance Management.

Table: 4.7

Performance of EDPs by EDC, REC

Year	Persons Trained	Units Setup	Employment Generated
1999-91	26	7	33
1991-92	23	4	25
1992-93	29	7	33
1993-94	23	7	27
1994-95	17	4	13
1995-96	23	8	30
1996-97	14	3	8
1998-99	15	5	18

Source: Survey data

The Government established industrial centres at the head quarters of every district, with intention to render all services and

facilities to small scale industrial units. This office is known as District Industries Centre. The activities of DIC included. Identification of Entrepreneurs, helped them in selection of projects, provides provisional Registration, provided subsidy & providing EDPs.

4.7. Limitations

Despite a variety of programmes for diverse target groups, in most countries, these were not adequately documented and evaluated. An adequate mechanism to monitor the programmes was missing, and therefore, data on how many units were setup, expected to start and among those which have started, how many were successful, what was their profile were not available[8]. Final performance analysis of the enterprises was an important test of any EDP. Whatever the quality of selection or training, if the units did not survive long enough to face the environment, something was wrong somewhere in effort and it was in this critical area that most EDP organizations were silent. No judgement therefore could be passed on the effectiveness of their target groups, selection methods, training inputs, follow-up, support system etc. However an attempt was made here to study the practices of providing EDPs by ED Organisations. Among the six institutions studied here, one prominent institution insisted that it should not be compared with

other institutions. Hence care is taken not to specify the names of organizations while showing the results.

4.8. Period of Involvement

The period from which E.D. Organisation involved themselves in entrepreneurship promotion is shown in Table 4.8.

Table 4.8

Year of starting EDPs by Institutions

Period	Institution
1970's	DIC, KITCO, SISI
1980's	CMD, REC
1990's	STED

Source: Survey data

4.9. Number of EDPs conducted

Number of EDPs conducted and persons trained from 1994-95 to 1998-99 is given below.

Table 4.9

Distribution of ED organizations according to No. of EDPs offered

Institution	No. of EDPs conducted from 3/94 – 3/99
SISI	37
STED	21
KITCO	46
DIC	10
REC	4
CMD	49
Total	167

Source: Survey data

Table 4.10

No. of EDPs and persons trained from 1994-95 to 1998-99

Year		SISI	STED	KITCO	DIC	REC	CMD	Total
1994-95	EDPs	4	6	8	2	1	7	28
	Participants	68	207	205	30	17	176	703
1995-96	EDPs	4	4	9	2	1	10	30
	Participants	105	115	166	60	23	254	723
1996-97	EDPs	6	7	8	2	1	10	34
	Participants	132	155	251	30	14	230	812
1997-98	EDPs	8	2	3	2	Nil	10	25
	Participants	216	74	93	25	Nil	236	644
1998-99	EDPs	15	2	18	2	1	12	50
	Participants	430	50	540	60	15	339	1434
Total	EDPs	37	21	46	10	4	49	167
	Participants	951	601	1255	205	69	1235	4316

Source: Survey data

Fig. 4.6

No. of EDPs and persons trained during 1994-95

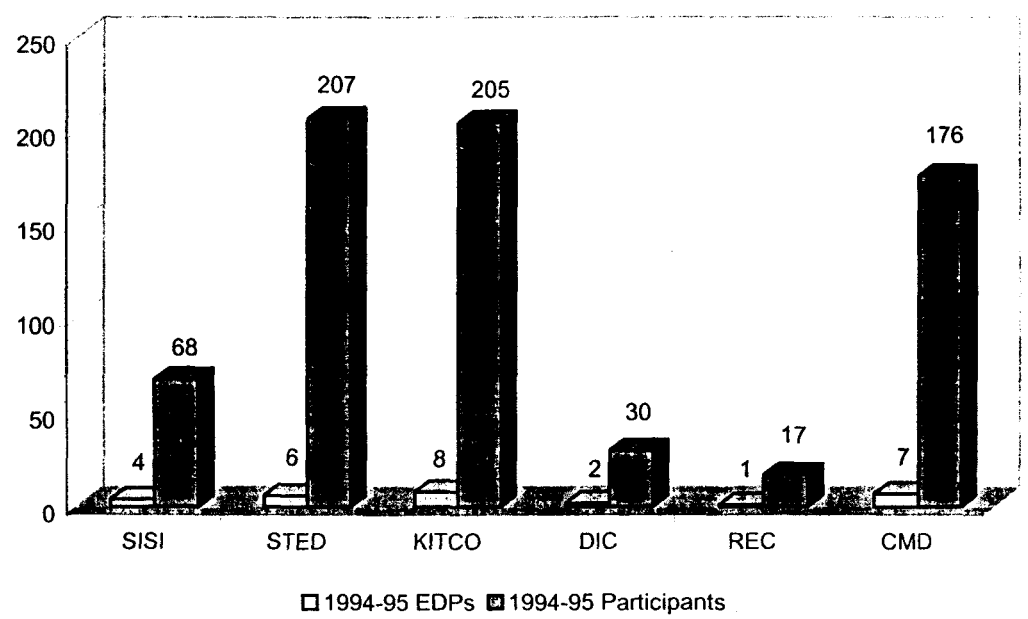


Fig. 4.7

No. of EDPs and persons trained during 1995-96

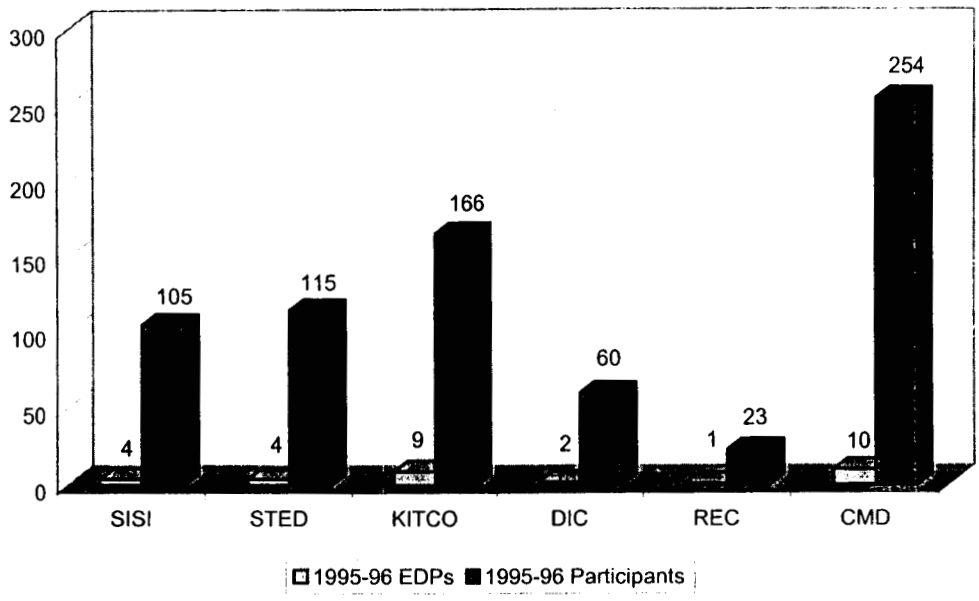


Fig4.8

No. of EDPs and persons trained during 1996-97

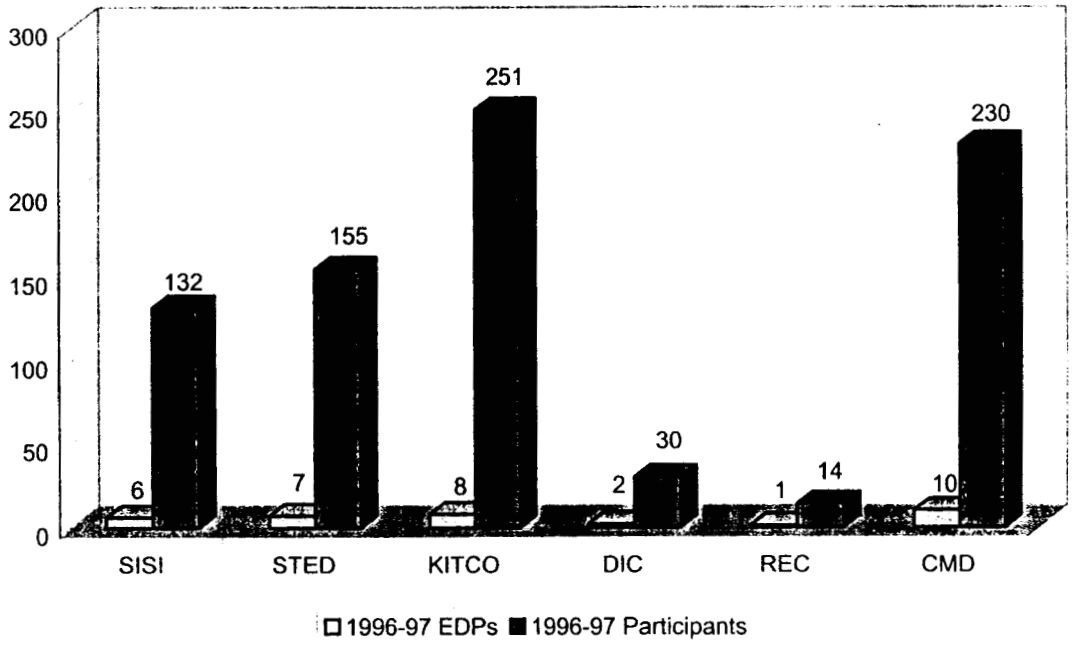


Fig. 4.9

No. of EDPs and persons trained during 1997-98

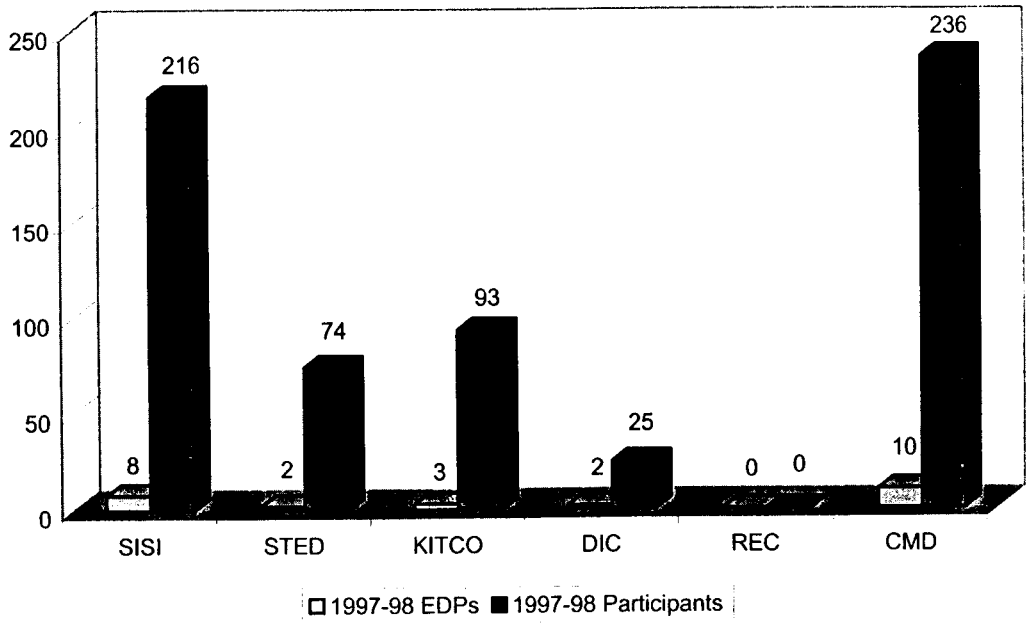
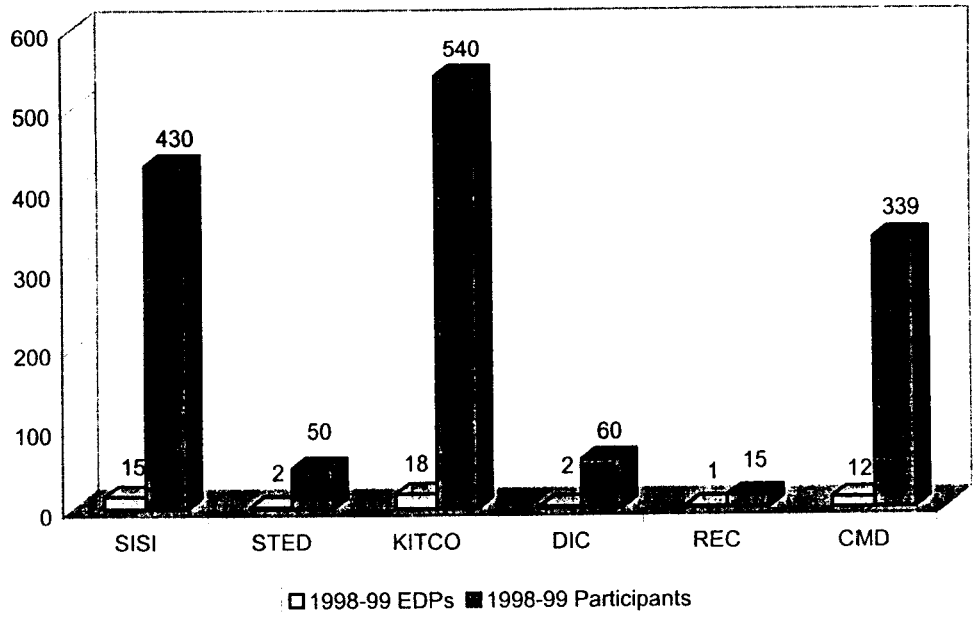


Fig. 4.10

No. of EDPs and persons trained during 1998-99



4.10. Pre-training Activities

One of the important factors in the success of an EDP was considered to be the pre-training work done by the training organisation. Pre-training phase in an EDP consisted of activities which was undertaken by Training Institutuions before starting an EDP – Generally training programmes were made known to the public through various media like newspapers & Radio; publicity through supporting organizations, visits by programme co-ordinator to various supporting organizations etc. It was therefore decided to identify various activities involved in pre-training promotional work and the extent to which such activities were carried out by Training Organisations.

Programme announcement in News papers was the common method adopted by all the Institutions. Usually, one month before the programme, they advertised in News papers. The advertisement highlighted the programme objectives, Duration, specialisation (General/Sector specific), target group, course contents, supporting agencies, proposed number of participants, fees charged it any, eligibility criteria etc. Advertisement was given in News papers Local edition/whole state/area where training was conducted depending on the institution. Out of 6, one institution was not using Radio as a means of publicity. All other institutions resorted to

Radio announcements but it was not found to be effective among EDP beneficiaries.

Visits to supporting organisations by programme co-ordinator was another pre-training activity. 5 E.D.organisations had reported to have undertaken such activity. This activity was carried out with the twin objectives of generating awareness about the programme and seeking co-operation from such organisations.

4 institutions reported that they had requested the supporting institution to give publicity to the programmes. Such publicity was usually done by supporting institutions by way of notifying the programme brochures and circulating them among officers and staff who matter in such work. Brochures on the programme would also be distributed to local businessman and individuals interested in going into business. Identification of viable project ideas and arranging infrastructures for smooth conduct of EDPs were also required to be taken before starting an EDP.

4.11. Target Groups

Separate EDPs for different target groups were required to be conducted by training organisations across the country. Such suggestions also came from EDP beneficiaries. In fact, some of the

EDP trainees suggested different package of programme inputs (within the same target group) to trainees with substantial difference in the level of investment. All the institutions, under study, were conducting EDPs for the general category. Besides they were providing training to women, SC/ST, Engineers/Technical, Ex-servicemen etc. In the present study, responses were received from General, Engineering and women target groups.

4.12. Selection Procedure

Selection was introduced for two reasons.

(i) It was neither practical nor desirable for every one to aspire to be entrepreneurs and so development should be directed towards those most likely to become interested and pursue the career. (ii) There might not be sufficient resources to develop all those who desired to become entrepreneurs; therefore the resources should be spent on those most likely to succeed. The assumption was made that it was possible to identify those with the most potential to become entrepreneurs and to create businesses. Although selection techniques could certainly improve the results to an entrepreneur training scheme, it was not always true that those who did not pass the selection test cannot become entrepreneurs.[9] From the selection procedures published by some E.D.

organisations, it was found that selection procedures consists of written test and interviews. (Xavier Institute of Social Services, Ranchi). The interview aims to reveal: (a) Personal and family background; (b) past technical or business experience or exposure; (c) the reasons why the candidate wants to become an entrepreneur; (d) the clarity of his objective and determination with which he wanted to pursue it; (e) whether he had family support, including financial assistance; (f) to what extent he has been associated with development activities in his local community; and (g) his academic background. The selection of potential entrepreneurs was made on the basis of measuring business propensity, business mentality and business habits. (Bangladesh Management Development Centre, Dacca).

An important aspect of his study was to find out the present practices of selection of entrepreneurs to training programmes. Interaction with training institutions revealed that selection mechanism was needed for elimination purpose as well as for identification of persons with entrepreneurial traits. Training institutions were asked to mark the preferential weightage regarding the selection procedure.

Table 4.11

Selection Criteria of Participants

Basis of selection	CMD	DIC	KITCO	NIC	SISI	STED	Total
Business Background	8 (40.00)	2 (10.00)	-	5 (25.00)	5 (25.00)	2 (10.00)	22 (18.33)
Qualification	1 (5.00)	3 (15.00)	-	5 (25.00)	5 (25.00)	3 (15.00)	17 (14.16)
Aptitude/Business interests	3 (15.00)	10 (50.00)	10 (50.00)	5 (25.00)	10 (50.00)	10 (50.00)	48 (40.00)
Project idea	8 (40.00)	5 (25.00)	10 (50.00)	5 (25.00)	-	5 (25.00)	33 (27.5)
Total	20 (100.00)	20 (100.00)	20 (100.0)	20 (100.00)	20 (100.00)	20 (100.00)	120 (100.00)

Source: Survey data

Training institutions told that it was not the financial/business back ground of the candidate which mattered rather it was his/her aptitude and project idea which was given maximum weightage.

Selection of potential entrepreneurs for an EDP, if done scientifically and systematically could ensure better results in the setting up of units and their successful running later on. Since the main objectives of EDP were to identify, motivate and develop new entrepreneurs, the initial care taken in selecting them not only helped in yielding better results but also in understanding the expectations and training input needs of the selected entrepreneurs.

4.13. Expenditure on EDPs

It was found that all E.D organizations under study provided fulltime non-residential EDPs. Duration of the training programme varied between three months to one week. CMD, DIC, KITCO and STED were not charging any fees for training while SISI and REC were charging fees ranging between Rs.400-600. At present EDPs were being financed by IDBI and respective state Governments and state level financial institutions. Average intake for each programme of REC was 15-20, of DICs, SISI & KITCO were 30-35 and of CMD & STED were 25-30.

An attempt was made to find out the amount of money spent on EDPs by various institutions. Information relating to the amount spent per EDP by ED organisations are given below.

Table 4.12

Expenditure on EDPs

Range of Expenditure	Organizations
< Rs.20,000	SISI, DIC
Rs. 20,000 – 40,000	STED, KITCO
Rs. 40,000 – 60,000	-
Rs. 60,000 – 80,000	CMD, REC
Rs.80,000 – 1,00,000	-
> Rs.1,00,000	-
Total	6

Source: Survey data

There was much variation in the expenditure incurred by ED organisations. The expenditure involved in conducting EDPs of SISI and DIC came to less than Rs.20,000, by STED and KITCO Rs.20,000 to 40,000 while CMD and REC incurred expenditure between Rs.60,000 to 80,000.

In a study, expenditure incurred on EDPs by various organizations was compared with duration of the programme and facilities provided to participants. No relationship could be established between programme duration, facilities provided and the amount spent on conduct of EDPs.[12] There were instance where an organization spent less money and provided free boarding and lodging to participants.

According to one estimate the cost of one programme was stated to be Rs.80,000, out of which Rs.60,000 were to be spent on course material, faculty expenses, product identification, preparation of project profiles, monitoring and counselling.[13]

4.14. Faculty

Faculty of EDP consisted of Academicians, Technical/ Professionals and Government officials. Training Organisations were asked about the constitution of faculties. The percentages of each constituent were given below.

Table 4.13

Constitution of Faculties

	CMD	DIC	KITCO	REC	SISI	STED	Total
Academicians	30	25	20	40	20	-	135 (22.5)
Technical/Professional	50	50	60	40	70	70	340 (56.67)
Govt. officials	20	25	20	20	10	30	125 (20.83)

Source: Survey data

More than 50% faculties were Technical/Professionals, 22.5% were Academicians and 20.83% were Government officials. Faculty consists of faculty of training organisation and faculty from outside. The ratio of programme inputs provided by Training organisations own faculty and guest faculty could reflect the extent of expertise available with Institutions. With a view to measure this extent of availability of expertise, the training institutions were asked to mention the ratio of inputs provided by own experts and outside experts.

Table 4.14

Ratio of own faculty & outside faculty

	CMD	DIC	KITCO	REC	SISI	STED	Total
Own faculty	30	25	60	60	75	75	305 (50.83)
Outside faculty	70	75	40	40	25	25	295 (49.17)

Source: Survey data

Table 4.14 shows that those training organizations which promoted technical entrepreneurs had more technically qualified

faculties. In KITCO, REC, STED & SISI, own faculties were more than guest faculties. When own faculty was more, expenses of EDP could be reduced.

4.15. Contents of EDP syllabus

The objective of the programme of training in entrepreneurship development was to develop motivation of potential entrepreneurs, helped them in taking up suitable enterprises and activities, enabled them to prepare economically viable and technically feasible project reports and enhance their enterprise-building skills.[14] The objective of these inputs was 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. With a view to ascertain the core inputs in EDPs the training organisations were asked to indicate the inputs which they considered most important in, EDPs which they had organised. They were asked to allot 100 points according to their importance and their responses are given in Table 4.15.

Table 4.15

Core inputs provided by Institutions

Inputs	CMD	DIC	KITCO	REC	SISI	STED	Total
Achievement Motivation	10	10	10	20	10	15	75 (12.5)
Project Identification	10	10	5	20	-	40	85 (14.17)
Production Management	-	5	-	-	50	-	55 (9.17)
Project Report Preparation	15	5	20	10	-	10	60 (10.00)
Exposure to support system	5	10	5	-	5	-	25 (4.17)
Market survey and market study	30	10	15	20	5	10	90 (15.00)
Industrial visits	-	10	5	10	5	10	35 (5.83)
Labour laws	-	5	5	-	5	5	15 (2.5)
Marketing and sales promotion	10	5	15	10	5	-	45 (7.5)
Interaction with successful entrepreneurs	5	10	5	-	5	-	30 (5.0)
Financial and working capital management	5	-	5	-	5	5	20 (3.33)
General awareness about planning, establishing and Managing SSI	10	20	10	10	5	5	65 (10.83)
Total	100	100	100	100	100	100	600.00

Source: Survey data

The purpose of Achievement-motivation training was to develop the need to achieve, risk taking, initiative and other such behavioural/psychological traits. A motivation development programme creates self-awareness and self-confidence among the participants and enabled them to think positively and realistically.

Without achievement motivation training, an EDP would become an ordinary executive development programme. Motivation training initiates people to business activity or helped them to expand their business ventures. They learnt to strive for excellence, to take calculated risk, to use feedback for improvement etc. Usually training organisations conduct Achievement-motivation classes on the first day of EDP. The Low start-up rates of entrepreneurs clearly indicated that these classes were not much effective in these Institutions, though they had given importance to this input (12.5%). Among the ED Institutions REC had given more important to AMT followed by STED.

The very foundation of an entreprise was the project. The success/failure of an enterprise depended on the project. Project Identification was a difficult task faced by an entrepreneur. Many of the trainees did not even have vague idea about the type of ventures which they wanted to start. In such cases the experts tried to suggest small projects based on their knowledge and expertise. STED project gave thrust for project identification in EDP training through presentations, group discussions and individual and group counselling. They gave maximum points for this input. REC also gave importance to project identification.

A project Report enabled the entrepreneur to know how much money, man-power and material would be required to set up the project, type of machine, and technology required, and the economic gain from the project. Experience in developing entrepreneurs had shown that a well perceived, well made project report by the entrepreneur himself was helpful to him while running the industry.[13] Project reports were insisted by financial institutions for granting loans to entrepreneurs while most of the organisations expected their trainees to prepare project reports of their proposed ventures on their own, there were a few who felt that project formulation skill could be developed amongst trainees during short period of training and they needed to be assisted in preparation of business plans. Most of the training institutions not only provided classes on project report preparation, but also helped their trainees in preparation of project report. Some trainees were of the opinion that, though they could not successfully launch a business unit, they were preparing project reports for untrained entrepreneurs.

Training needed to include information about support systems. The participants had to be exposed to agencies like the local banks and other financial institutions, industrial service corporations and other institutions dealing with supply of raw materials, equipment etc. In the session on support systems, the procedures for approaching them, applying and obtaining assistance

from them and availing of the services provided by them were explained. These informations were usually provided by experts from supporting organisations as guest faculty. In addition to the knowledge gained, trainees had the benefit of closely interacting with the representatives of various supporting organisations. This helped the entrepreneurs in having easy access to various offices during post-training phase. Some trainees complained that they did not enjoy any preferential treatment in comparison to persons who had not undergone EDP.

Market survey meant a survey of all the components of marketing. Under market survey, trainees were asked to go to the market and gather information on the different aspects pertaining to the product they have selected for manufacture. They were given guidelines to prepare a brief market survey questionnaire and were given one day off from training sessions to go to the market and collect needed information. After market study, they had to submit a report on market survey. Among the EDP trained entrepreneurs, 67% conducted market survey before starting the units. This shows that the effect of market survey as a part of EDP training was positive.

Field visit was an opportunity to the trainees to see and believe what he has been taught in the classrooms. Industrial visits

enhanced confidence of the young minds and inspire them to action. Visits were considered customary in EDPs. In all EDPs, irrespective of group size, the participants were taken to small enterprises in a single batch. EDP beneficiaries did suggest organisation of visits in smaller batches so as to make them more educative. Suggestions were also given by EDP trainees to arrange visits to the type of industries/enterprises they want to start. They should understand the viability of the project they had in mind. Attendance in field visits was usually lower than attendance in class room sessions. One institution admitted that Industry visit was compulsorily done in case of Sector Specific EDPs. Usually in, general EDPs the visit was conducted only if beneficiaries insisted. It could be concluded that methodology of organising field visits, selection of units to be visited, group size and time to be spent in units planned to be visited need serious consideration.

With regard to production management only one Institution gave highest point as they stated that they were often conducting product - cum - process EDPs in which they give importance in production management. Trainees did agree that wider coverage of various labour laws was not possible in EDPs. The present approach giving little exposure about labour laws was therefore desirable. Trainees preferred marketing tips which could be used

by owner-managers of small enterprises. Training Institutions usually allotted one session of EDP for interaction with successful entrepreneurs. It would be very effective if EDP trained successful entrepreneurs handle this session. But very often the successful entrepreneurs who were invited by institutions were not EDP trained personnels. Though sessions were allotted to resource persons from Financial Institutions for explaining the sources of finance, terms of loan, special schemes etc., trainees complained that it was not easy for them to arrange loans from financial institutions. Those who took some steps to launch a unit, but could not complete, found this area very difficult as they were not having enough security for loan which the institutions insisted. As the District Industries centre is involved in providing registration to small scale industries, they gave more importance to general awareness about planning, establishing and managing SSIs in their EDPs which were very useful to the trainees at the time of registration. It was evident that all the above mentioned inputs are very critical in EDP curriculum.

4.16. Training Methodology

It was believed that class room training alone was not enough for potential entrepreneurs. They need to do a lot of field work for establishing and managing their enterprises. Finding out the

relationship between time devoted to class room lecture sessions and field work was therefore considered necessary. Training organizations were asked to provide the total time spent on classroom inputs and field work. The responses of Training Institutions recorded in this respect are given in Table 4.16.

Table 4.16

Teaching Methodology

Teaching Methodology	CMD	DIC	KITCO	REC	SISI	STED	Total
Class room	60	70	80	60	30	70	370 (61.67)
Practicals	-	-	-	10	60	-	70 (11.67)
Industry visit	10	20	10	10	5	10	65 (10.83)
Market survey	30	10	10	20	5	20	95 (15.83)
Total	100	100	100	100	100	100	600

Source: Survey data

Table showed that more than 50% allotted for class room sessions by 5 Institutions. Since SISI is conducting product-cum-process oriented EDP, they allotted a major portion to practical. CMD spent 30% time for conducting market survey.

4.17. Entrepreneurship Awareness Programmes

Entrepreneurial awareness was one of the most important elements of entrepreneurship promotion. Entrepreneurship Development was aimed at the commissioning of several

development programmes through financial institutions, promotional agencies and service institutions. However, the number of programmes did not correspondingly project the number of successful entrepreneurs who have ventured into their own business. On the one hand, programmes were continuously being offered; on the other, the results of the programmes were encouraging, but the information was not aimed at the larger base. In other words, the programmes were meant for people who have access to information and knowledge.

Youth, in general in the country lack information about the entrepreneurial opportunities, schemes, incentives etc. which was found acting as one of the deterring factors for choosing the industrial entrepreneurship.[15]

Present state of affairs was that many of the entrepreneurs have chosen it a career of last resort. Wrong selection of target groups had also contributed to the failure of a number of EDPs. Well designed and properly executed publicity campaign for entrepreneurial opportunities was likely to enthuse entrepreneurial zeal/talent. The entrepreneurial awareness-interactive programmes should be conducted by the different promotional agencies on continuous basis.

Training Institutions were asked to record how often do they conduct awareness programmes. 3 Institutions recorded that they were conducting entrepreneurial awareness programmes occasionally and one Institution stated that they were conducting awareness programmes always, while 2 Institutions organised frequently. Institutions were asked about the percentage of participants who had undergone EAP, attended EDP. According to them, on an average 15-20% of them were attending EDP. This indicated that Entrepreneurship Awareness Programmes were not inspiring much potential entrepreneurs to undergo EDPs. Untrained entrepreneurs were asked the reason for not attending EDPs. More than 50% of them stated that they were not aware of such a training programme which again showed that Awareness Programmes conducted by Institutions were not effective among potential entrepreneurs and the publicity/promotional activities of EDP was inadequate.

4.18. Existing and Potential Entrepreneurs

Training Institutions along with potential entrepreneurs were helping existing entrepreneurs. In the present study, among the EDP trained Entrepreneurs, 15% were existing entrepreneurs at the time of attending EDP. Training Institutions stated that same syllabus was used for training both. Existing entrepreneurs, at the

time of discussion, stated that they attended EDP when they decided to start additional units/diversification/modernisation.

Help provided by organisations to existing entrepreneurs included guidance in areas of modernisation, expansion and diversification, identification of problems of the units, Management, Marketing, Consultancy etc.

4.19. Benefits of EDP

As the quality of entrepreneurship differed from region to region, the type of inputs that a particular group of entrepreneurs would require should be understood clearly and the training programmes tailored accordingly. Training should be not only to set up an industrial venture but also to enable the trainee to run it successfully. Training organizations were asked to mark how much help they provide to EDP beneficiaries in setting up as well as running their own unit. A five point scale was used for collection of their responses. The various area in which help was provided and number of institutions responded are given in the following table. According to the importance given to each item they were requested to distribute 100 points. Out of 100, upto 20 points were taken as very low, 21-40 as low, 41-60 as medium, 61-80 a high and 81-100 as very high.

Table 4.17

Benefits of EDP

Benefits/No. of E.D organization	Very low (upto 20)	Low (20-40)	Medium (41.-60)	High (61-80)	Very high (81-100)
1. Opportunity Guidelines	-	-	3	3	-
2. Preparation	-	-	1	1	4
3. Infrastructural Requirements	1	1	2	2	-
4. Local Body License	1	1	3	1	-
5. Laison with Govt. Agencies & Financial Institutions for speedy implementation of projects	-	1	2	2	1
6. Assessment of working capital	1	-	3	1	1
7. Marketing strategies	1	-	2	3	-
8. Arrangement of finance	1	-	3	1	1
9. Information about incentives, subsidies, sales tax exemption etc. to entrepreneurs	-	1	-	4	1
10. Procurement of Raw material machinery etc.	-	-	3	3	-
11. Provisional Registration	-	-	2	3	1
12. Permanent Registration	1	-	1	4	-
13. Price Fixation	2	1	2	1	-
14. Cost Reduction	2	1	3	-	-
15. Uses of Byproducts	1	3	1	1	-
16. Self confidence	-	-	2	2	2

Source: Survey data

Opportunity guidance enabled entrepreneurs to identify opportunities in industries and other allied activities which offer a promising future for them. In this respect 3 institutions marked as Medium and remaining 3 marked as High.

It was on the basis of project report that not only the entrepreneur took his decision on whether to proceed on the proposed project, but also financial institutions and state

Government Departments involved in the project, based their decisions on the ways and the extent to which help should be provided. Realising this importance of preparation of project report. One institution recorded as Medium, One as High while the majority 4 institutions marked as very high.

Four Institutions were providing help to some extent in getting licenses from local administration bodies and arrangement of infrastructural requirements. Individuals and organizations which provided assistance to entrepreneurs constitute support system. The organization conducting the training should be associated with these agencies to ensure that timely assistance was available to the entrepreneurs. In this respect 5 institutions were providing help and one institution marked as low.

In assessment of working capital and arrangement of finance, 3 institutions provided medium help and 2 institutions have marked as providing high help. Marketing strategies helped entrepreneurs in taking decisions in each stage of product life cycle. In the case of Marketing Strategies, one training organization stated that they were not providing much help in this respect while the remaining 5 organisations were providing help in the field of marketing strategies.

Since 1954, Govt. of India had continuously introduced different incentive facilities and concessions through its agencies for the entrepreneurs. The incentive schemes generally cover facilities and concessions regarding finance, infrastructure, market and training. Incentives and subsidies given by the Government help entrepreneurs to set up their industries. The entrepreneurs were attracted to some extent for their package of incentive and subsidies. They acted as a motivational force and encourage entrepreneurs to start industries. Information about the various incentives, subsidies etc. to entrepreneurs were provided in EDP session. Four institutions marked this help as 'high' one institution marked it as 'very high'.

In EDP classes, trainees were provided with information regarding the availability of raw material & machinery at concessional rates, whom to contact etc. Three institutions marked as providing 'medium help' and three institutions 'as high'.

Provisional registration was taken for the pre-operative period and enabled the unit to obtain the term loans and working capital from financial institutions/banks. Permanent registration certificate enables units to get the following incentives/ concessions.

a. Excise exemptions

b. Income-tax exemption and sales tax exemption as per state government policy.

c. Incentives and concessions in power, tariff etc.

d. Price and purchase preference for goods purchased.

All the training organization were helping entrepreneurs for getting provisional registration, while 5 institutions provide more help in getting permanent registration also. In areas of price fixation, cost reduction and uses of by products: Institutions were providing medium help.

An entrepreneur assumes risk and therefore he must have self confidence. Training Organisations were encouraging trainees and they get self confidence after attending EDP training. Trained Entrepreneurs as well as non-entrepreneurs confirmed this fact. Training organizations pointed out that they were providing opportunities for trainees to have contact with various offices, procedures and officials and they also admitted that they were getting good exposure in EDP sessions.

On the basis of these responses the summated score value of each institution was calculated which is given in Table 4.18.

Table 4.18

Summated Scale Score of benefits of EDP

Institution	Score Value
CMD	52
DIC	56
KITCO	53
REC	53
SISI	64
STED	33

Source: Survey data

Max. Score: 16x5 = 80
Mini. Score = 16 x 1 = 16

Scale:-
16 – 40 ---> Min. help
41 – 60 ---> Moderate help
61 – 80 ---> Max. help

Table 4.18 showed that SISI provided the maximum assistance to entrepreneurs. All other institutions except STED were providing moderate help.

4.20. Start-up Rate

Training organisations were asked to state the percentage of trainees starting own unit within one/two years of getting training. They responded as follows:-

Table 4.19

Start-up Rate

Institution	Start-up Rate
CMD	20-30
DIC	10-20
KITCO	20-30
REC	20-30
SISI	20-30
STED	10-20

Source: Survey data

It could be stated that a maximum of 20-30% of beneficiaries were starting their own unit. One Institution frankly expressed that reliable data was not available due to various reasons especially, poor response to enquiries. It was a common feature that entrepreneurs were not informing the Institutions at the time of starting the unit.

4.21. Follow-up

Training with all the motivational and managerial inputs alone could not make the prospective entrepreneur successful.

It was very important to takeup follow-up measures after conducting entrepreneurial development courses. The major objective of the follow-up of EDP trained entrepreneur was to sustain the motivation of the trained entrepreneur. Follow-up also indicated the quality and drawbacks of the earlier work and gave suggestions for the future to improve the quality. There was a

widely held opinion amongst entrepreneurship development professionals that post-training follow up hold the key to effectiveness of EDPs. It was, therefore, decided to study the present practices of post-training follow-up adopted by various training organisations. For analysing the follow up activities undertaken by E.D. organisations, Likert Scale Technique has been used.

Table 4.20

Follow-up

Follow-up activities/No. of Institutions	Very low (upto 20)	Low (21-40)	Medium (41-60)	High (61-80)	Very High (81-100)
1. How often feed back is collected	-	-	-	-	6
2. How often follow-up activities are undertaken follow-up meetings	-	-	5	1	-
3. Follow-up correspondence	-	1	2	2	1
4. Follow-up visits by Trainers	3	1	2	-	-
5. Post-Training counselling services to trainees	-	1	5	-	-
6. Problem solving through committees	2	2	2	-	-
7. Approach for further help	-	-	4	-	2
8. Will they inform when business is started	-	1	5	-	-

Source: Survey data

Eight statement were given regarding feedback and follow up activities. It was clear that all the Institutions were collecting feed back from the trainees. But responses from them were very poor. Follow-up meetings were also conducting but attendance was used to be very poor. Institutions recorded that they were making correspondence with the trainees.

Table 4.21

Summated Scale Score of follow up activities

Institution	Score value
CMD	29
DIC	25
KITCO	20
REC	25
SISI	30
STED	22

Source: Survey data

With regard to follow-up activities, SISI got the highest score.

Experience indicates that effective and timely followup of trainees upon completion of this programme was necessary inorder to achieve a high success rate in business creation and survival.[16]

During the first few months of his entrepreneurial career the young entrepreneur, like a young tree, needs special care. An effective follow-up was very essential to ensure that they did not drop out after sometime and to help those who were struggling hard to survive in the competitive market. Experience showed that a lot of improvement could be introduced in the training inputs on the basis of this information and critical comments received through follow-up.[17]

4.22. Problems faced by Training Organisations

Entrepreneurship Development was a multidisciplinary and complex task. E.D. Organisations needed support of large number of organisations and experts. Training organizations were asked to record the major problems faced by them in conducting EDPs. A five point scale was used for collecting information related to problems. According to the intensity of problems faced, they were requested to distribute 100 points. Their responses were recorded in table 4.22.

Entrepreneurship Development was a multi disciplinary and complex task. E.D. Organisations needed support of large number of organizations and experts.

Table 4.22
Problems faced by Institutions

Follow-up activities/No. of Institutions	Very low (upto 20)	Low (21-40)	Medium (41-60)	High (61-80)	Very High (81-100)
1. Availability of interested Participants	1	2	1	2	-
2. Availability of Guest faculty	4	1	1	-	-
3. Finance for conducting EDPs	3	1	2	-	-
4. Assistance by support system	2	3	1	-	-
5. Post Training Follow-up	1	1	2	2	-
6. Performance of Participants	-	4	2	-	-
7. Infrastructure for Training	2	-	2	2	-
8. Heterogeneous background of Trainees	1	1	3	1	-
9. Low level of entrepreneurial awareness	1	1	4	-	-
10. Industrial visits	2	2	2	-	-
11. Market survey	1	1	4	-	-

Source: Survey data

EDP should be provided to those who were really interested in starting a business unit. Entrepreneur identification and selection should be made effectively in order to get interested participants. For 50% of Institutions availability of interested participants was not at all a problem while 50% found this as a problem. Training Organisations told that the number of people who wanted to participate in EDPs was large. But many of them were not really interested in the course. One training institution told that some trainees were not serious about the training. Those who got job while attending EDP withdrew themselves from the course.

The problem of non-availability of competent faculty from outside was faced by only one institution to some extent. This was not a problem as far as the other institutions, as they have qualified own faculties. Finance for conducting EDPs was not a problem for four institutions and 2 institutions had to face this problem to some extent. Four institutions experienced the difficulty of contacting trainees after training and follow-up could not be done effectively. Availability of necessary infrastructure was found to be a problem by 4 institutions as they were conducting Training Programmes in different parts of the country.

EDP participants usually come from various backgrounds and this was one of the problems faced by Trainers. Diverse

background of trainees was very often a problem as Resource Persons had to talk in general terms which all participants had to follow. Four institutions admitted that there was lack of awareness among participants. Though beneficiaries benefited much from market survey, making arrangement for market survey was found to be difficult by four institutions.

Table 4.23

Summated Score of problems faced by Training Organisations

Institution	Score Value
CMD	26
DIC	26
KITCO	28
REC	31
SISI	17
STED	24

Source: Survey data

Max. Score: 11x5 = 55

Mini. Score = 11 x 1 = 11

Scale:-

Min. problems: 11 - 25

Moderate problems: 26 - 40

Max. problems: 41 – 55

SISI had minimum problems in conducting EDPs. All others fall in the group of moderate problems.

Entrepreneurial development requires more than training. Entrepreneurship was helping people to recognize that there were opportunities which if grabbed could provide material benefits. The value of rewards was directly dependent on one's effort, perseverance and good judgement. What the Government or the institutions involved in entrepreneurial development could offer is encouragement, informational support, access to knowledge, guidance and helped in developing skills.

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A STUDY ON THE EFFECTIVENESS OF ENTREPRENEURIAL DEVELOPMENT PROGRAMMES FOR THE DEVELOPMENT OF SMALL SCALE INDUSTRIES IN KERALA

THESIS
SUBMITTED TO THE UNIVERSITY OF CALICUT FOR THE AWARD OF THE DEGREE OF DOCTOR OF PHILOSOPHY IN COMMERCE

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IMPACT OF EDPs ON ENTREPRENEURS

CHAPTER - V

IMPACT OF EDPs ON ENTREPRENEURS

Entrepreneurial talents exist in every society and in all cross-sections of people. In developed countries, the favourable Socio-economic environment helps in exploiting latent entrepreneurial talents. In India, it is believed, tremendous latent entrepreneurial talents exists, which if properly harnessed could help in solving many of the serious problems facing the country. The well known Kakinada experiment conducted by Mcclelland and his associates and entrepreneurship promotion work done by Gujarat Industrial and Investment Corporation (GIIC) and centre for Entrepreneurship Development (CED) Ahmedabad had clearly shown that it was possible to train first generation entrepreneurs through systematic training intervention.

In recent years, Human Resource Development has been receiving great attention in developing countries. With this came reviewed attention towards the role of entrepreneurship in initiating and stimulating economic development. It was recognised that an adequate supply of able and well motivated entrepreneurs was a pre-condition for accelerating the process of economic development.

This chapter is based on the primary data collected through field investigation. In this chapter, an attempt was made to study the effectiveness of EDPs on Sample EDP beneficiaries in Kerala. For the purpose of Study, 4 districts were selected at random, Thrissur, Kozhikode, Malappuram & Ernakulam. There are a number of Entrepreneurship Development Institutions functioning in Kerala, among which 5 have been providing EDP training in all the Districts and one Institution has been imparting training, in a central place, which was participated by trainees from all the districts. In this study, EDPs conducted by these 6 Institutions during the yeas from 1994-95 to 1998-99 were covered. In view of huge amount of money spent and expected outcome of such programmes, an impact study was highly desirable.

For the purpose of this study, 3 types of respondents were analysed-

(1) EDP beneficiaries who were running SSI unit;
(2) EDP beneficiaries who were not running SSI units but engaged otherwise, and
(3) Untrained (Not EDP trained) entrepreneurs who were running SSI unit.

Separate questionnaires were used for data collection from the 3 types of respondents. This chapter is prepared on the basis of

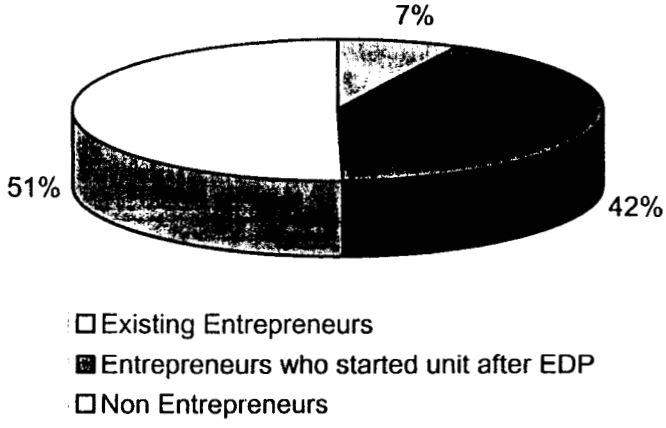
direct informal interviews with them with the structured interview schedules. Entrepreneurs both trained and untrained were not ready to disclose fully informations relating to their investment, Sales Turnover Profit/Loss, Number of employees etc. Though confidentiality of informations was assured 38 respondents did not respond at all. However based on the collected information from 135 trainees, an attempt was made to study the effectiveness of EDPs in the state.

5.1. Status of Sample EDP beneficiaries

Table 5.1
Status of Sample EDP beneficiaries

Status	No	%
Existing Entrepreneurs	10	7.4
Entrepreneurs who started unit after EDP	57	42.2
Non Entrepreneurs	68	50.4
Total	135	100.00

Fig. 5.1
Status of Sample EDP beneficiaries



Among the 135 training beneficiaries 10 trainees (7.4%) were entrepreneurs at the time of participating in EDP's. 42.2% started units after undergoing EDP training and 50.4% have not yet started units. EDPs aimed at promoting first generation entrepreneurs as well as helping existing entrepreneurs. Some of the existing entrepreneurs joined for EDP when they planned to start additional units and some with an intention of diversification.

5.2. District-wise distribution of sample EDP trainees

Table 5.2
District-wise distribution of sample EDP trainees

District/Status	Thrissur	Calicut	Malappuram	Ernakulam	Total
Existing Entrepreneurs	3 (9.00)	7 (9,86)	-	-	10 (7.4)
Entrepreneurs who started units after EDP	15 (45.45)	25 (35.21)	4 (50.00)	13 (56.52)	57 (42.2)
Non-entrepreneurs	15 (45.45)	39 (54.93)	4 (50.00)	10 (43.48)	68 (50.4)
Total	33 (100.00)	71 (100.00)	8 (100.00)	23 (100.00)	135 (100.00)

(Figures in parentheses show percentages)

In Thrissur District, out of 33 trainees, 18(54.55%) were running units, in Calicut, out of 71 trainees, 32(45.07%) were running SSI units, in Malappuram district out of 8 EDP beneficiaries; 4(50%) started units, and in Ernakulam District, among 23 EDP trainees, 13 (56.25%) started business units. Among the EDP trainees, the highest percentage of start-up was shown in Ernakulam District, which occupied the first place in the number of SSI units registered in Kerala State in most of the years during the past 5 years.

5.3. Training Institution-wise Distribution of sample EDP trainees

Table 5.3
Training Institution-wise Distribution of sample EDP trainees

Institution	CMD	SISI	DIC	KITCO	STED	REC	Total
Existing Entrepreneurs	1 (3.45)	3 (14.29)	2 (8.33)	3 (7.89)	-	1 (8.33)	10 (7.4)
Entrepreneurs who started units after EDP	12 (41.38)	10 (47.62)	9 (33.33)	18 (47.37)	5 (45.45)	4 (33.33)	57 (42.2)
Non-entrepreneurs	16 (55.17)	8 (38.09)	14 (58.33)	17 (44.74)	6 (54.45)	7 (58.33)	68 (50.4)
Total	29 (100.00)	21 (100.00)	24 (100.00)	38 (100.00)	11 (100.00)	12 (100.00)	135 (100.00)

Source: Survey data (Figures in parentheses show percentages)

Out of 135 trainees, 49.6% were running their own unit while 50.4% have not yet started units. Among the Institutions, Participants from SISI showed the highest start up (61.90) followed by beneficiaries of KITCO (55.26%).

5.4. District/Institution-wise Distribution of Sample EDP beneficiaries

Table 5.4
District/Institution-wise Distribution of Sample EDP beneficiaries

District/Institution	CMD	SISI	DIC	KITCO	STED	REC	Total
Thrissur	4	19	4	1	3	2	33 (24.44)
Calicut	22	-	17	18	8	6	71 (52.59)
Malappuram	3	1	1	1	-	2	8 (5.93)
Ernakulam	-	1	2	18	-	2	23 (17.04)
Total	29 (21.48)	21 (15.56)	24 (17.15)	38 (28.15)	11 (8.15)	12 (8.89)	135 (100.00)

Source: Survey data (Figures in parentheses show percentages)

5.5. Sex-wise Distribution of the Sample EDP beneficiaries

Among the 135 EDP trainees 59.26% were males and 40.74% were females

Table 5.5
Sex-wise Distribution of the Sample EDP beneficiaries

Sex	Entrepreneurs	Non-entrepreneurs	Total
Male	41 (61.2)	39 (57.4)	80 (59.26)
Female	26 (38.8)	29 (42.6)	55 (40.74)
Total	67 (100.00)	68 (100.00)	135 (100.00)

(Figures in parentheses show percentages)

5.6. Caste-wise Distribution of the sample EDP trainees

Table 5.6
Caste-wise Distribution of the sample EDP trainees

Caste	Entrepreneurs	Non-entrepreneurs	Total
Forward	34 (50.7)	30 (44.1)	64 (47.40)
Backward	33 (49.3)	38 (55.9)	71 (52.59)
Total	67 (100.00)	68 (100.00)	135 (100.00)

(Figures in parentheses show percentages)

The table 5.6 showed that out of 135 EDP trainees 52.59% were from backward communities while 47.4% were from forward communities.

5.7. Marital Status

Table 5.7

Marital Status

Marital Status	Entrepreneurs	Non-entrepreneurs	Total
Single	14 (20.9)	22 (32.4)	36 (26.67)
Married	53 (79.1)	46 (67.6)	99 (73.33)
Total	67 (100.00)	68 (100.00)	135 (100.00)

(Figures in parentheses show percentages)

73.33% of the total 135 trainees were married and 26.67% were unmarried.

5.8. Age-wise Distribution of EDP trainees

It was considered desirable to have an insight into the age of entrepreneurs. The capabilities of a person in undertaking various jobs vary at different ages as perceptions, physical endurance and confidence level will vary with age.

Table 5.8

Age-wise Distribution

Age	Entrepreneurs	Non-entrepreneurs	Total
<30	10 (14.9)	23 (33.8)	33 (24.44)
30-40	37 (55.2)	32 (47.1)	69 (51.11)
40-50	20 (29.9)	13 (19.11)	33 (24.44)
>50	-	-	-
Total	67 (100.00)	68 (100.00)	135 (100.00)

(Figures in parentheses show percentages)

85% of the entrepreneurs were between the age group of 30-50 while Non- entrepreneurs in this group constituted 66%. Among the Non-starters, 33.8% were in the age group of less than 30, Whereas only 14.9% Start-ups fall in this age group. Perhaps, the higher maturity level of potential entrepreneurs and the clarity of and commitment to the self employment goal acted as a facilitating factor in venture launching. Studies have revealed that younger people were more successful entrepreneurs. This might be because older people were more reluctant to take risky ventures. They were more concerned with avoiding failure than achieving success. In the above 2 groups, Above 50 there was nobody.

5.9. Educational Qualification

It was noted that education, entrepreneurship and development were interrelated. Education was known to be the best means of developing a person's resourcefulness which encompassed different dimensions of entrepreneurship.[1] This formal education was always considered important for a career. Formal education would benefit entrepreneurs by making available more skills necessary for entrepreneurial endeavour.[2] It not only helped in the acquisition of required knowledge for a job which demanded non-traditional skills but imparted knowledge about the different occupational opportunities[3] Therefore in a developing

economy, the education was always looked upon as a means to improve one's socio-economic position in the society. Formal education tended to encourage the emergence of entrepreneurial class at an early stage.[3] It was assumed that educated entrepreneurs would be in a better position than the uneducated in acquiring skills and technical know-how, approaching government officials for licenses and concessions, contacting financial institutions etc. The entrepreneurs with higher educational qualifications could solve most of the problems confidently.

Research studies proved that entrepreneurship was independent of the level of education, though the educational factor might make an entrepreneur a successful manager when the enterprise outgrows its smallness of size.[4]

Table 5.9
Education-wise Distribution of EDP trainees

Qualification	Entrepreneurs	Non-entrepreneurs	Total	% of Entrepreneurs to the total
SSLC	17 (25.37)	20 (29.41)	37 (27.41)	45.95
Degree	35 (52.24)	30 (44.12)	65 (48.15)	53.85
Technical/Professional	15 (22.39)	18 (26.87)	33 (24.44)	45.46
	67	68	135	

(Figures in parentheses show percentages)

Among the 135 EDP Trainees, 48.15% were graduates and 27.41% were educated upto SSLC 24.44% were having

Technical/Professional qualification. Among the entrepreneurs, majority (52.24) were graduates. Percentage of entrepreneurs to the total shows that majority were graduates (53.85%). This showed that formal education was an important factor in fostering entrepreneurship.

5.10. Parental Occupation

The sample for this study constituted of 135 EDP Trainees, 67 started SSI units and 68 non-entrepreneurs. The family background of these two groups were compared and presented in the following table, which provided an insight into the shift in occupation between the two generations.

Table 5.10
Parental occupation of sample EDP trainees

Occupation	Entrepreneurs	Non-entrepreneurs	Total	% of Entrepreneurs to the total
Agriculture	14 (20.9)	21 (30.9)	35 (25.93)	40.00
Business	17 (25.4)	18 (26.5)	35 (25.93)	48.57
Industrial	5 (7.5)	1 (1.5)	6 (4.44)	83.33
Service	11 (19.8)	13 (19.11	24 (17.78)	45.83
Govt. job	20 (29.9)	15 (22.1)	35 (25.93)	57.14
Total	67 (100.00)	68 (100.00)	135 (100.00)	49.63

(Figures in parentheses show percentages)

When analysed on the basis of family background, it was found that EDPs were mostly attended by those who either came

from agricultural families or Business families or whose parents had Government jobs. Data available indicated that EDPs had not been effective in attracting such candidates whose parents were industrialists. It was clear from the table that out of 135 respondents who participated in EDPs, only 6 had come from families which were engaged in industrial activities, among which 5 of them started units. EDP was mainly meant for first generation entrepreneurs and second generation entrepreneurs did not feel the necessity of attending EDPs. Among the starters, majority were from the family of Government employees (29.9%) followed by Business families (25.4%) and from agricultural background (20.9%) Among the Non-starters, majority trainees were from agricultural background (30.9) followed by Business families (26.5%).[5] In a study it was found that it was not necessary that entrepreneurs should come from Industrial/Business background, Business environment in the family, exposure to opportunities, encouragement and support from other business-minded family members, all must be combined to develop necessary confidence for setting up of an industry.[5]

Entrepreneurs with business family background were found having wide contacts,[6] basic experience and financial resources which were quite helpful for the success in new ventures.

Percentage of starters to the total showed maximum (83.33%) in the case of those who came with industrial background followed by entrepreneurs whose parents were Govt. employees (57.14%). Third place went to entrepreneurs from business families (48.57%).

An attempt was made to know the entrepreneur's previous occupation before establishing the present unit.

5.11. Occupation of trained Entrepreneurs before establishing unit

Table 5.11
Occupation of trained Entrepreneurs before establishing unit

Status	Entrepreneurs	%
Studying	13	19.4
No Job	28	41.8
Employed in Industry	17	25.4
Running own unit	5	7.5
Business/Trade	4	6.0
Total	67	100.0

As seen from the table, majority (41.8%) were not doing anything before starting the unit. 38.81% were either employed in industry or running own unit or engaged in Business/Trade, while 19.4% & started unit immediately after completion of their studies. Entrepreneur's previous occupations were analysed in the light of family background.

5.12. Family background/Previous occupation

Table 5.12
Family background/Previous occupation

Occupation	Agriculture	Business	Industrial	Service	Govt. Job	Total
Studying	4	5	1	1	2	13
No Job	5	5	2	5	11	28
Employed in industry	3	5	1	2	6	17
Running own unit	1	1	1	2	-	5
Business/Trade	1	1	-	1	1	4
Total	14	17	5	11	20	67

The table showed that majority entrepreneurs who started unit immediately after studies came from business families. Majority of those who were not doing anything came from family of Government employees. Out of 17 entrepreneurs who were previously employed in industries, 6 had business/industrial background. This shows that previous experience in industry and business appears to provide some appreciable inducement to entrepreneurship. 11 entrepreneurs coming from the background of agriculture, service and government job, were employees of industrial concerns. After serving and observing their respective employers for a certain period, these respondents gained confidence and expertise which in turn gain them a sense of confidence to stand on their own in the respective fields.

5.13. Pre-EDP Status of Non-entrepreneurs

Table 5.13
Pre-EDP Status of Non-entrepreneurs

Status	Non-entrepreneurs	%
Studying	13	19.12
No job	30	44.12
Employed in industry	14	20.59
Running own unit	3	4.41
Business/Trade	8	11.76
Total	68	100.00

Majority of trainees (44.12%) were not having any job. 20.59% were employed in industry before undergoing EDP training. Some of them after training took some initiative for launching business unit, but could not complete it. 19.12% after their studies, attended EDP training 11.76% were engaged in Business/Trade and 4.41% were running their own unit.

5.14. Family Background/Pre-EDP status of Non-Entrepreneurs

Table 5.14
Family Background /Pre-EDP status of Non-Entrepreneurs

Occupation	Agriculture	Business	Industrial	Service	Govt. Job	Total
Studying	2	6	-	1	4	13 (19.12)
No Job	13	6	-	4	7	30 (44.12)
Employed in industry	4	2	1	4	3	14 (20.59)
Running own unit	-	1	-	2	-	3 (4.41)
Business/Trade	2	3	-	2	1	8 (11.76)
Total	21	18	1	13	15	68 (100.00)

(Figures in parentheses show percentages)

Majority of trainees joined for EDP after studies came from Business families and in the case of trainees who were not doing anything before EDP, majority came from agricultural families with an intention of starting industry.

5.15. Nature of Business

EDP Trained entrepreneurs were engaged in manufacturing and marketing, Manufacturing alone and service sectors.

Table 5.15
Nature of Business

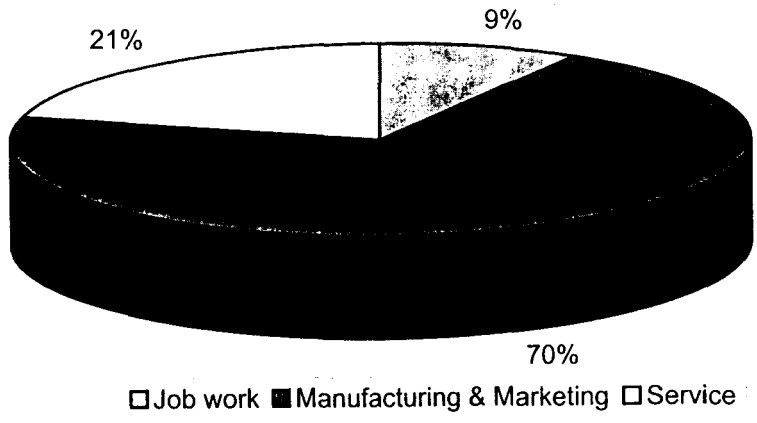
Nature of business	
Job work	6 (8.96)
Manufacturing & Marketing	47 (70.15)
Service	14 (20.89)
Total	67 (100.00)

(Figures in parentheses show percentages)

Table 5.14 showed that 70% were engaged in manufacturing and marketing which was risky whereas 9% were undertaking only manufacturing activities, they were doing job works, engineering units along repairs, some garment making units etc. Compared to the second group, in manufacturing alone there was no risk as they didn't have to worry about marketing. Those who were running Beauty parlours, software concerns, studios etc. were in the category of service concerns. There were women entrepreneurs in

all this three categories. 20.89% were in the service sector. This showed that majority of the EDP trainees were functioning in the manufacturing and Marketing sector facing risk.

Fig. 5.2
Nature of Business



5.16. Target group

EDP was generally provided by institutions to different target groups like women, SC/ST, General, Ex-Servicemen, Engineering etc. Though 5 categories of target groups were specified in the questionnaire, respondents were only from 3 types ie, General, Engineering And Women. No respondents were from Ex-servicemen and SC/ST target groups, though some of the training institutions conducted separate EDPs for them. Out of 135 EDP beneficiaries, 67.41% attended General EDPs, 28.15% attended

Women EDPs and 4.44% participated in EDPs meant for engineers. Among the entrepreneurs, 70% were general EDP Trainees, 4.5% Engineering & 25.4% Women EDP Trainees (Table 5.16)

Table 5.16
Target group wise distribution of EDP trainees

Target group	Entrepreneurs	%	Non-Entrepreneurs	%	Total	%
General	47	70.1	44	64.7	91	67.41
Engineering	3	4.5	3	4.41	6	4.44
Women	17	25.4	21	30.90	38	28.15
Total	76	100.00	68	100.00	135	100.00

5.17. Duration of EDP

Table 5.17
Duration of EDP

Duration	Entrepreneurs	%	Non-entrepreneurs	%	Total	%
3 Months	9	13.4	5	7.4	14	10.37
2 Months	-	-	4	5.9	4	2.96
1 Month	35	52.2	27	39.7	62	45.93
6 Weeks	11	16.4	9	13.2	20	14.81
2 Weeks	11	16.4	16	23.5	27	02.00
1 Week	1	1.5	7	10.3	8	5.93
Total	67	100.00	68	100.00	135	100.00

These days more and more people were getting interested in acquiring entrepreneurial competencies but at the same time they were reluctant to spend a longtime on it. Thus the conventional six week full-time of twelve week part time models do not suit them. Moreover, the good augury was that the employed class was

increasingly being attracted towards the entrepreneurial career. This again call for the shortening of the duration of EDPs.

Among the entrepreneurs, majority (52.2%) attended one-month programme of EDP. In the case of Non-starters also, majority (39.7%) did one month training.

5.18. Source of Training Information

Trainees were asked to record from where they came to know about EDP Training. Generally, Training Institutions utilise media for publicity of EDPs. The important medias used are Newspapers and Radio. The following table shows the sources of information about EDPs.

Table 5.18
Source of Training Information

Sources	Entrepreneurs	%	Non-entrepreneurs	%	Total	%
News papers	52	77.6	49	72.1	101	74.81
Training Institution	1	1.5	1	1.5	2	1.5
Radio	1	1.5	1	1.5	2	1.5
DIC	7	10.4	5	7.4	12	8.84
Friends	4	10.4	12	17.6	19	14.07
Total	67	100.00	68	100.00	135	100.00

Out of 135, 101 Trainees (74.81%) came to know about EDP from newspapers. 14.07% got the information from friends, and 8.89% from DIC. In the case of both starters and non-starters, one

each got information from Radio & Training Institution. In this hightech age, the popularity of Radio has come down. Therefore programme publicity through Radio announcements was not at all effective. Table 5.18 clearly shows that, Newspaper was the effective source of information. Regarding the conducting of EDPs, Training Institutions are not providing direct information and it seems they were giving more importance to consultancy services. Some untrained entrepreneurs, who got consultancy services from these promotional institutions, were not aware of the training programmes conducted by them. Though some of the training institutions were engaged in conducting Entrepreneurship Awareness Programmes, they were not reaching to those to whom they aim at.

5.19. Who suggested to undergo EDP

Table 5.19
Who suggested to undergo EDP

	Entrepreneurs	%	Non-entrepreneurs	%	Total	%
Own Decision	53	79.1	50	73.5	103	76.30
Friends	3	4.5	12	17.6	15	11.11
DIC officials	6	9.0	6	8.9	12	8.89
Bank officials	5	7.5	-	-	5	3.70
Total	67	100.00	68	100.00	135	100.00

Out of 135 trainees, 76.30% undergone EDP training on their own decision. Those who were all motivated by Bank officials, started the unit.

5.20. Reasons for joining EDP as given by EDP Trainees

Trainees reasons for joining EDPs are important in determining the possible start-up rate. Trainees joining for EDP with an idea of speeding up the process of venture launching or improving their entrepreneurial competencies are more likely to start a venture than those who join simply because they are unemployed or for a certificate or just for the sake of gaining knowledge.[7]

Table 5.20
Reasons for joining EDP

Reasons	Entrepreneurs	%	Non-starters	%	Total	%
Unemployment	7	10.4	15	22.1	22	16.30
Loan Facility	6	9.0	4	5.9	10	7.41
Technical Training	5	7.5	10	14.7	15	11.11
Learn to start the business	23	34.3	26	38.2	49	36.30
Improve Entrepreneurial competencies	21	31.3	9	13.2	30	22.22
Improve Managerial skill	5	7.5	4	5.9	9	6.67
Total	67	100.00	68	100.00	135	100.00

It is clear from the table 5.20 that starters have given more importance to reasons which are essential for starting of the unit. 34.3% of the starters joined for EDP to learn to start the business, and 31.3% joined for improving entrepreneurial competencies. Though 38.2% non-starters gave the reason to learn to start the business, only 9% opted for improving entrepreneurial

competencies. 22.1% of non-starters joined for EDP, only because they were unemployed compared to 10.4% starters. The results shows that the motives of trainees for joining EDPs should be thoroughly assessed before their selection.

In a research study on women entrepreneurs[8], many women had expressed their priorities of training needs at the initial and operational stages as follows.

Initial Training Needs

Business information	49.18%
Technical training	44.26%
Market information	37.70%
Financial information	37.70%
Production and control	36.07%
Government procedures	29.51%
Managerial and Administration	22.94%

It was evident that during the establishment stage, there was a prime need for information and knowledge.

Training needs at operation stage

Finance Management	50.82%
Market Management	37.70%
Government formalities	34.43%

Production	31.15%
Technical	29.51%
Managerial	21.31%

5.21. Methods used for Training

The training programmes had to be designed in such a way that they were useful to the entrepreneurs by imparting necessary knowledge that was required. They should be designed to fill the gap between the knowledge the entrepreneurs have and the knowledge that is required by them.. Regarding the various methods used for EDP training, respondents were asked to distribute 100 points in the order of usefulness to them. Responses were collected by giving ranges of scores and marked as very low, Low, Medium, High and very high. Data collected showed that only in some cases the score reached atleast the medium. The main methods indicated in the questionnaire for training were:

(1) Classroom lecture, (2) Group Discussions,

(3) Audio-visual aids, (4) Individual counselling,

(5) Industrial visit, (6) Market Survey,

(7) Case Studies, (8) Interaction with successful entrepreneurs.

Table 5.21
Training Methodology

Methodology	Very low Upto 20	Low 21-40	Medium 41-60	High 61-80	Very high 81-100
Classroom lecture		8 (11.94)	24 (35.82)	26 (38.81)	9 (13.43)
Group Discussions	37 (55.2)	30 (44.8)			
Audio-visual aids	61 (91.0)	6 (9.0)			
Industrial selling	61 (91.0)	6 (9.0)			
Industrial visit	22 (32.8)	39 (58.210	6 (9.0)		
Market survey	12 (17.9)	49 (73.13)	6 (9.0)		
Case studies	58 (86.6)	9 (13.4)			
Interaction with successful entrepreneurs	15 (22.4)	51 (76.1)	1 (1.5)		

(Figures in parentheses show percentages)

Classroom lecture was mainly used for EDP training by institutions and majority recorded positively. 38.81% recorded as high, 13.43% recorded as very high while 35.82% recorded as medium. Group Discussions, Audio-visual aids, individual counseling & case study were not used as methods of training some trainers. Most of them are arranging industrial visits, but was not found to be much effective. Only 9% recorded it as medium. These visits were not organized by considering the project reports prepared by trainees. In the case of market survey also, only 9% recorded as medium. More than 70% recorded it as low. Unless the potential entrepreneurs get the chance of conducting market

survey of the type of industry which they intended to start, it would not be much effective. Entrepreneurs did not find the interaction with successful entrepreneurs useful.

5.22. Contents of EDP Syllabus

Entrepreneurs were asked about usefulness of contents of EDPs in the light of their experiences of starting and running a small scale unit. A five point scale was given to record their responses and is shown in Table 5.22

Table 5.22
Contents of EDP syllabus

Inputs	V. Low 1	Low 2	Medium 3	High 4	V. High 5
Achievement Motivation	33 (49.25)	7 (10.45)	14 (20.90)	1 (1.50)	12 (17.91)
Entrepreneurial qualities	9 (13.43)	7 (10.45)	20 (20.85)	6 (8.96)	25 (37.31)
Product idea formulation	50 (74.63)	4 (5.97)	5 (7.46)	-	8 (11.94)
Project report Preparation	32 (47.76)	13 (19.40)	13 (19.40)	2 (3.00)	7 (10.45)
Financial Management	23 (34.33)	11 (16.42)	8 (11.94)	5 (7.50)	20 (29.85)
Marketing Management	14 (20.90)	9 (13.43)	12 (17.91)	5 (7.50)	27 (40.30)
Procedure of starting the business	15 (22.39)	7 (10.45)	11 (16.42)	2 (3.00)	32 (47.76)
Market Survey	8 (11.94)	9 (13.43)	15 (22.39)	7 (10.45)	28 (41.79)
Interaction with successful entrepreneurs	32 (47.76)	12 (17.91)	10 (14.93)	-	13 (19.40)
Industrial visit	30 (44.78)	12 (17.91)	13 (19.40)	3 (4.50)	9 (13.43)

(Figures in parentheses show percentages)

Motivation training was aimed at the trainees level of achievement and confidence and developing the right attitude and behaviour towards business. The table showed that Achievement motivation training was not found to be effective. Only 40% found it useful while 60% marked it as less useful. EDP aim at developing the entrepreneurial qualities which was latent in potential entrepreneurs. Entrepreneurs responded positively to this area of EDP syllabus ie, 46% found it highly useful, 30% found it moderately useful and only 24% recorded it as less effective.

Fundamentals of project feasibility study provided guidelines on the effective analysis of feasibility of the project in view of marketing, organization, technical, financial and social aspects. Entrepreneurs were not much benefited by EDP in product idea formulation and project report preparation. The total score was less for these two inputs. Nearly 12% recorded product idea formulation as highly useful and only 10% found project report preparation as highly useful. 50% of the entrepreneurs have not benefited from financial management sessions while 34% found marketing management less effective. Nearly 48% found this session to be highly useful. One should be aware of the formalities to be complied with before starting an industrial unit. This was a very important part of EDP syllabus as it consisted of the procedure

of getting provisional as well as permanent registration, various licenses, subsidies etc. Most of the entrepreneurs found this session useful. 50% recorded it to be highly effective, 16.42% as medium and only 32.84% found it less useful.

The area of marketing was one where entrepreneurs found numerous problems. Market survey provided an opportunity to potential entrepreneurs to have an idea about the market. It was found that entrepreneurs marked positively about market survey. The total score value was maximum for market survey. More than 50% recorded it to be highly useful. Interaction with successful entrepreneurs aimed at inspiring potential entrepreneurs to start industries in the light of their experiences. But this session was not found to be much effective. Only 19% recorded it as effective. Most of the Institutions were arranging industrial visits as a part of EDP curriculum. Exposure to the industrial atmosphere was very helpful to the potential entrepreneurs. Industrial visits would be very effective if the trainees could visit those industries which were in their minds. Most of the entrepreneurs found industrial visit less effective, only 17% recorded that it was useful to them. After getting into the operational role, management of finance and marketing became the focal points.

5.23. Usefulness of EDPs

EDP Trained entrepreneurs running SSI unit were asked to mark the usefulness of EDP in starting and running the unit. Their responses are recorded in Table 5.23.

Table 5.23
How far EDP helped in Starting/Running the business

Sl. No.	Areas of help	Very low (1)	Low (2)	Medium (3)	High (4)	Very Low (5)
1	Opportunity guidance	8 (11.9)	12 (17.9)	22 (32.8)	15 (22.4)	10 (14.9)
2	Preparation of project Report	6 (9.0)	15 (22.4)	27 (40.3)	8 (11.9)	11 (16.4)
3	Infrastructural Requirements	29 (43.3)	17 (25.4)	10 (14.9)	7 (10.4)	4 (6.0)
4	Local body License	22 (32.8)	17 (25.4)	17 (25.4)	9 (13.4)	2 (3.0)
5	Laison with Govt. agencies for the speed implementation of the project	15 (22.4)	19 (28.4)	11 (16.4)	18 (26.9)	4 (6.0)
6	Assessment of working capital	6 (9.0)	22 (32.8)	20 (29.9)	13 (19.4)	6 (9.0)
7	Marketing strategies	13 (19.4)	10 (14.9)	21 (31.3)	17 (25.4)	6 (9.0)
8	Arrangement of Finance	15 (22.4)	16 (23.9)	15 (22.4)	18 (26.9)	3 (4.5)
9	Information about incentives, subsidies, sales tax etc.	6 (9.0)	10 (14.9)	24 (35.8)	14 (20.9)	13 (19.4)
10	Procurement of Raw material etc.	16 (23.9)	19 (28.4)	18 (26.9)	11 (16.4)	3 (4.5)
11	Provisional Registration	21 (31.3)	13 (19.4)	23 (34.3)	6 (9.0)	4 (6.0)
12	Permanent Registration	13 (19.4)	13 (19.4)	21 (31.3)	9 (13.4)	11 (16.4)
13	Price Fixation	23 (34.3)	18 (26.9)	13 (19.4)	7 (10.4)	6 (9.0)
14	Cost Reduction	30 (44.8)	18 (26.9)	7 (10.4)	6 (9.0)	6 (9.0)
15	Use of By products	45 (67.2)	9 (13.4)	4 (6.0)	5 (7.5)	4 (6.0)
16	Self confidence	-	5 (7.5)	15 (22.4)	24 (35.8)	23 (34.3)

(Figures in parentheses show percentages)

Five point scale was given to record the benefits of EDP in starting as well as running units. During the course of training various guidance sessions were provided for enabling the trainees to identify appropriate business opportunities. Some trainees had identified the project idea in their mind. Information and counselling on various feasible business opportunities was provided by experts 37.31% trained entrepreneurs recorded opportunity guidance as highly useful and 32.8% as of medium help.

Detailed project report preparation involved the preparation of detailed specifications and designs, engineering drawings, site investigation, foundations design and process design as well as time schedules for project implementation. 40.3% entrepreneurs marked that the help they got in this respect as medium, while 28.3% marked it as highly helpful. Help in meeting infrastructural requirements was not significant. Getting local body license was found to be helpful by 41.8%.

EDP Training provided information on support systems. The session on support systems included the procedures for approaching them, applying and obtaining assistance from them and availing of the services provided by them. 49.3% found this linkage between the training institute and various institutions as useful. Regarding the information and assessment of working capital 29.9% showed that they got medium help and 19.4% as high and 9% as very high.

Sessions on Market Survey and Marketing strategies were found to be of great help to entrepreneurs. 65.7% marked this experience as useful. 31.3% as Medium, 25.4% as high and 9% as very high. 53.8% marked arrangement of finance as helpful. Information about incentives, subsidies and sales tax exemption was another area found by entrepreneurs as highly useful compared to untrained entrepreneurs, they had to encounter less difficulty in this respect. 35.8% marked help as medium, 20.9% as high and 19.4% as very high.

The new entrepreneur will have to ensure timely flow of raw materials in anticipation of actual requirement before launching his new product into the market. He has to keep more sources of supply of the required raw materials, instead of depending on a single source of supply. In EDP training, sessions were allotted for giving information on assessment of raw material, sources of supply, where and whom to contact for raw materials, machinery etc. 17.8% entrepreneurs found these informations as helpful.

Provisional registration helps the entrepreneur to take necessary step to bring the unit into existence. It should be converted into permanent registration once the unit comes into existence. EDPs have sessions on procedure of launching a business unit handled by experts from Industries Department. For

Registration of unit, trained entrepreneurs were in a better position compared to untrained entrepreneurs. 49.3% recorded that for getting provisional registration, EDP was helpful and 61.1% experienced that EDP helped them to get Permanent Registration. Help in the areas of price fixation, cost reduction and use of by products was insignificant as EDPs by some institutions were not having sessions in these topics. In developing self confidence, EDP was highly beneficial as 92.5% marked positively – 22.4% as medium help, 35.8% as High and 34.3% as very high.

On the basis of the 5 point scale, summated score values have been calculated.

Maximum value: 80
Minimum value: 16
Range: 16-40 Low
41-60 Moderate
61-80 High

Table 5.24

Summated score value of benefits of EDP

Range	No	%
16-40	26	38.81
41.60	34	50.75
61-80	7	10.45

38.81% of entrepreneurs considered EDP to be less effective, and more than 60% recorded EDP as effective. Table 5.23 showed

that maximum help was provided in the areas of self confidence, information about incentives, and subsidies , preparation of project report, opportunity guidance etc. More than seventy percent recorded that EDP was successful in creating self-confidence in entrepreneurs.

5.24. Influence of EDP in starting the business

The EDP Trainees running SSI units were asked whether this training had influenced them in starting the present business they were running. 10 entrepreneurs had already started the units when they participated in EDP Training. Therefore this question was irrelevant to them. Hence, responses received from 57 entrepreneurs.

Table.5.25
Influence of EDP in starting the business

Influence of EDP	No.
Very much	23 (40.35)
Much	26 (45.61)
Not Much	6 (10.53)
Not at all	2 (3.51)
Total	57 (100.0)

(Figures in parentheses show percentages)

Out of 57 entrepreneurs 40.35% felt that EDP had influenced them very much in launching enterprise. 45.61% felt that EDP had

influenced them much while 10.53% felt that EDP had not much influenced and 3.51% responded that EDP had not at all influenced them in starting unit.

Influence of EDP in starting business was analysed on the basis of respondents' educational qualification.

5.25. Influence of EDP/Educational Qualification

Table.5.26

Influence of EDP/Educational Qualification

Educational qualification	Very Much	Much	Not Much	Not at all	Total
SSLC	4	5	3	-	12
Degree	13	14	2	-	29
Technical/Professional	6	7	1	1	15
Total	23	26	6	-	57

Out of 12 entrepreneurs who were educated upto SSLC, 9 (75%) felt that EDP had influenced them in starting unit, out of 29 graduate entrepreneurs 27(93.10%) stated that EDP had influenced to launch the unit while. Among 15 technically qualified entrepreneurs, 13 (86.67%) responded positively. This showed that educated persons were more getting the benefit of EDP.

Duration of EDP which entrepreneurs attended varied between 3 months to 1 week. Hence influence of EDP was analysed on the basis of duration.

5.26. Influence of EDP/Duration of EDP

Table.5.27
Influence of EDP/Duration of EDP

Duration of EDP	Very Much	Much	Not Much	Not at all	Total
3 Months	5	2	1	-	8
2 Months	-	-	-	-	-
1 Months	14	15	2	2	33
6 Weeks	2	3	2	-	7
2 Weeks	2	5	1	-	8
1 Week	-	1	-	-	1
Total	23	26	6	2	57

Out of 8 entrepreneurs who attended 3 months EDP, 7(87.5%) admitted that EDP had been beneficial to them. Out of 33 entrepreneurs who participated in one month's EDP (87.88%) strongly believed that EDP had influenced them in starting unit.

Among 7 entrepreneurs who attended 6 weeks EDP, 5(71.43%) 8 entrepreneurs who participated in 2 weeks EDP, 7(87.5%) responded that EDP had influenced them. Majority who responded positively were those who attended one months EDP.

5.27. Time gap between getting the training and starting the business

Table.5.28
Time gap between getting the training and starting the business

Time gap	No.
Less than 1 year	42 (73.68)
1-2 years	11 (19.30)
2-3 years	2 (3.51)
More than 3 years	2 (3.51)
Total	57 (100.0)

(Figures in parentheses show percentages)

Entrepreneurs were asked how much time they took for venture launching after getting training. 73.68% entrepreneurs took less than one year for launching unit, 19.30% took 1-2 years, while 3.51% could start unit after 2-3 years of undergoing EDP and only 3.51% took more than 3 years. This was an indication that EDP had helped trainees to launch the enterprise.

5.28. Education qualification/ Gestation period

Table.5.29
Education qualification/ Gestation period

Gestation period	SSLC	Degree	Tech/Professional	
< 1 year	7	25	10	42
1-2 years	4	3	4	11
2-3 years	1	1	-	2
> 3 years	-	2	-	2
Total	12	31	14	57

Table 5.29 relates gestation period of the units with qualification of the entrepreneurs. Out of 42 respondents who could start unit within 1 year of getting training 59.52% were graduates, 16.67% were educated upto SSLC and 23.81% were Technical entrepreneurs.

Among those who had started units within one year of getting training, Graduates constituted the maximum. This showed that formal education helped the entrepreneurs in completing the promotional activities comparatively quickly.

Gestation period was analysed with the duration of the Training Programme which is given in the Table 5.30.

5.29. Gestation Period/ Duration of EDP

Table. 5.30
Gestation Period/ Duration of EDP

Duration of EDP	<1 year	1-2 years	2-3 years	>3 years	Total
3 months	6	1	1	-	8
2 months	-	-	-	-	-
1 months	26	7	-	-	33
6 weeks	4	3	-	1	8
2 weeks	5	-	1	1	7
1 week	1	-	-	-	1
Total	42	11	2	2	57

Those who attended one month's EDP took less time for starting the unit, ie, all the 33 entrepreneurs started unit within 2 years of training.

5.30. Need for Further Training

Entrepreneurs were asked to record how often do they feel further training necessary. Their responses are recorded in the Table.

Table. 5.31
Need for further Training

Need for further training	Job works	Manufacturing & Marketing	Service	Total
Once in a year	3	19	7	29 (43.28)
Once in 2 years	1	13	9	23 (34.33)
Once in 3 years	2	4	-	6 (8.96)
Not at all	-	8	1	9 (13.43)
Total	6	44	17	67 (100.0)

(Figures in parentheses show percentages)

Entrepreneurs who were engaged in job works responded positively 50% stated that it would be better to get training once in a year, 16.67% once in 2 years and 33.33% once in 3 years. Among those who were engaged in Manufacturing and Marketing 43.18% felt the need for further training as once in a year, 29.55% once in 2 years, 9.09% once in 3 years while 18.18% stated that further training was not at all required. Among the 17 entrepreneurs who were in the service sector, 41.18% felt the need for further training once in a year, 52.94% once in 2 years and 5.88% stated that further training was not at all required. Out of 67 entrepreneurs, 43.28% felt the need for further training once in a year. Only 13.43% responded negatively that further training was not at all required. Request for EDP showed that EDP was effective

Non-entrepreneurs

5.31. Present status of Non-entrepreneurs

Responses were collected from 68 EDP trainees who are not entrepreneurs, with an objective of knowing what was their present position and how they benefited by undergoing EDP training. Information collected from them are shown in the following table.

Table 5.32
Present Status of Non-entrepreneurs

Status	No	%
Got employment	18	26.47
Ding Business/Trade	26	38.24
No Job	11	16.18
Engaged in other activities	13	19.12
Total	68	100.00

Out of 68 EDP trainees, 26.47% got employment. 9 persons in government service, 5 in private companies and 4 employed in industries. 38.24% were engaged in business and trade. 16.18% were not doing anything. They were ladies and engaged in household activities at present but they were planning to do some business of their own. 19.21%were engaged in other activities. Trainees were asked the reason why they did not start units. Their responses were recorded in the following table.

5.32. Reasons for not starting units

Table 5.33
Reasons for not starting units

Reasons	No	%
Got employment	18	26.47
Blocked in the process	25	36.77
Risk aversion	25	36.66
Total	68	100.00

Out of those who were employed some had the idea of starting unit, but when they got employment they accepted it. 36.77% actually started the initial procedures for venture launching, but due to some reasons they were blocked in the process. 36.66% did not become entrepreneurs as they were not ready to take risk.

Those who were blocked in the process were asked about the reasons whey they couldn't proceed and their responses are recorded below:

5.33. Reasons for block in the process

Table 5.34
Reasons for block in the process

Reasons	No	%
Difficulty of getting loan	15	60
Difficulty and delay in getting licenses	7	28
Infrastructure difficulties	3	12
Total	25	100

60% of trainees could not start units because of the difficulty of taking loan. Some could not give sufficient security for taking loan. 28% found getting licenses difficult. 3 trainees could not start units because of the difficulties relating to infrastructure like availability of land, building etc.

5.34. EDP benefits to those not in business

EDP trainees who were not in business were asked to respond to how much help they got from EDP training. They admitted that though they could not implement a viable project, EDP was helpful to them to some extent. Some helped their friends in project report preparation while others had helped in project identification and consultancy services. Those who were employed especially in small scale industries, stated that the knowledge of the working of small business helped them to perform their work efficiently. Out of 68 respondents 18 were employed, 11

unemployed, 26 were engaged in business/trade and 13 were engaged in other activities.

5.35. EDP benefits to those employed

Responses received from 18 EDP trainees who got employment, are recorded in Table 5.35.

Table 5.35
EDP benefit to those employed

Benefits	No of persons
Knowledge of Small enterprise functioning	8
Increase in self confidence	18
Helped other in self employment	4
Knowledge of business opportunities	11
Better performance of present job	12

All the 18 respondents stated that EDP helped them to enhance their confidence level. 12 of them reported that the knowledge which they gained in EDPs helped them in performing their jobs more effectively. 11 stated that they got the knowledge of various business opportunities and 4 of them admitted that they provided counselling and help in project report preparation to potential entrepreneurs for self employment, 8 of them reported that they got the knowledge of functioning of small enterprises.

5.36. EDP benefits to unemployed

11 unemployed respondents were females. Some were housewives and some were looking for some engagements. 3 of

them were helping the family business with the knowledge of small enterprise function they gained from EDP. 4 female respondents stated that EDP did not help them. 2 of them were still motivated to start unit and 7 agreed that their confidence has increased. They said that they could go to any office for any information after undergoing EDP. Responses received from those who were unemployed are given in Table 5.36

Table 5.36
Benefits to unemployed

Knowledge of small enterprise functioning	3
Increase in self confidence	7
Still motivated to start business	2
Assistance in family business	3
No help	4

5.37. Benefits to those engaged in Business/Trade

Table 5.37
Benefits to those engaged in Business/Trade

After performance of present activity	20
Knowledge of small enterprise functioning	18
Still motivated to start unit	4
Increase in self confidence	26
Motivating/helping others to be self employed	10

Out of 26 respondents who were engaged in business/trade 20 admitted that EDP helped them to perform the present activities efficiently. 8 respondents stated that the knowledge of the functioning of small enterprises helped them in their business. 4 of them were still planning to start units. All the 26 respondents believe that their confidence level was increased after doing EDP

training. 10 of them motivated and helped their friends to become self employed which they consider as a benefit of EDP.

5.38. EDP benefits to those engaged in other activities

Table 5.38
EDP benefits to those engaged in other activities

Knowledge of small enterprise functioning	8
Increase in self confidence	13
Still motivated to start business	3
Motivated/helped others to be self employed	3

The remaining 13 respondents were engaged in social activities, Network marketing, activities related to charitable organizations women empowerment activities etc. All the 13 trainees admitted that they gained self confidence from EDP which helped them in their social activities. They could maintain good contacts with people. 8 of them stated that they got good knowledge of the functioning of small enterprises. Three of them were still motivated to start units and they motivated/helped their friends in starting their own units.

The above discussion clearly showed that EDPs did benefit those trainees also who were not running own small scale industrial units. Out of 68 respondents, only 4% found that EDP was useless. However, vast majority of remaining 64 benefited by way of enhancing their knowledge of functioning of small enterprise,

increased self confidence better performance of present activities. Some of them were still motivated to start own unit and motivated and helped their friends to become self employed.

5.39. Follow-up

Continuous monitoring and follow up was essential for the success of any entrepreneurial development Programme. A system of monitoring at every stage of EDP needs to be built in. It is only through proper monitoring that defects and problems can be identified and removed. To evaluate the follow-up activities under taken by Training Institutions, entrepreneurs were asked to mark their responses to follow-up activities. Most of the entrepreneurs responded negatively regarding follow-up. Four methods of follow-up were specified in the questionnaire ie, Follow-up meeting, correspondence, visit by Trainers and problem solving through committees. Only in respect of meeting some of them responded ie; some EDP Trainees got letters after EDP. Among them very few replied to letters and attended meeting. Some of the Non-starters also attended some meetings, more than that, no follow-up activities were undertaken by Institutions.

5.40. Problems of EDPs

Trainees were asked about the problems of EDP training. Some of the them stated that they faced the language problem while

attending EDP. Class room sessions in English were found to be difficult by some trainees who had education upto SSLC. Another problem was related to industrial visit which formed part of EDP syllabus. Trainers complained that they could not get a chance to visit the type of industry which they intended to start. In sessions handled by Managers of lead banks, they explained the procedure of taking loans and prompted them to approach them. But when they approached them for loans, they were not given any preference and consideration. Same was the experience when they approached various officials for getting licenses and permissions. It was found that only in product-cum-process EDPs, practicals were provided. In other EDPs, no practicals classes were given to those who intended to start manufacturing units.

There was validity in the argument that the number of units set up and proportions of those successful financially should not be the only criterion of finding the performance and impact of the Entrepreneurship Development Programmes. The fact that less than 25% of the selected trainees often set up enterprises and even if only half of them survive and grow, the strategy still makes valuable contributions, according to some EDP organizers. Much depends upon the objectives and the local environment where the exercise is carried out. Productive self employment of a large number of unemployed, frustrated graduates, unsettled tribals,

neglected women, poor artisans and craftsmen, skilled but struggling employees are valuable socio-economic gains. The long run impact of success of even a few may have a multiplier effect. The cost of resources and the loss or wastage involved, when only a small proportion set up and succeed in enterprises, is therefore, a matter of relevant cost benefit appreciation.

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A STUDY ON THE EFFECTIVENESS OF ENTREPRENEURIAL DEVELOPMENT PROGRAMMES FOR THE DEVELOPMENT OF SMALL SCALE INDUSTRIES IN KERALA

THESIS
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COMPARATIVE ANALYSIS OF TRAINED AND UNTRAINED ENTREPRENEURS

CHAPTER - VI

COMPARATIVE ANALYSIS OF TRAINED AND UNTRAINED ENTREPRENEURS

This chapter aims at comparing entrepreneurs who started their units after undergoing EDPs with entrepreneurs who started their units without any entrepreneurship training. For this, data were collected from a matching group of entrepreneurs. The parameters used for identification of the comparison group, in order to maintain its nearest possible homogeneity with the group of EDP trained entrepreneurs are:-

(1) Location of the Units,

(2) Product Line

(3) Starting of Commercial production

(4) Initial investment in plant and Machinery

The data collected were subjected to a few limitations which had to be kept in mind while drawing inferences. Data on financial aspects were not very reliable. Majority of the EDP trainees who started their ventures refused to divulge finance related information such as investment, sales, profit etc. Data collected from comparison group also suffered from these limitations.

EDPs were offered to various target group with a view to motivate programme participants for starting their ventures and

managing them successfully. During the programmes ED organizations tried to provide such information and knowledge to trainees which could help them in quickening the process of enterprise setting up and enterprise management. It was therefore logical to expect better entrepreneurial performance from trained entrepreneurs. There were 67 trained entrepreneurs who were compared with 67 untrained entrepreneurs.

Comparative profile of entrepreneurs and their units

6.1. District-wise Distribution of the sample

For the purpose of comparative study, from a matching group of entrepreneurs, a sample of 67 untrained entrepreneurs from 4 districts ie Thrissur, Kozhikode, Malappuram and Ernakulam were selected. The number of respondents are shown below.

Table 6.1

District -wise Distribution of respondents

District	Trained Entrepreneurs	Untrained Entrepreneurs	Total	% of Trained entrepreneurs to the total
Thrissur	18 (26.9)	15 (22.4)	33 (24.63)	54.55
Kozhikode	32 (47.8)	30 (44.8)	62 (46.27)	51.61
Malappuram	4 (6.0)	6 (9.0)	10 (7.46)	40.00
Ernakulam	13 (19.4)	16 (23.9)	29 (21.64)	44.83
Total	67 (100.00)	67 (100.00)	134 (100.00)	50

(Figures in parenthesis show percentage)

6.2. Sex-wise Distribution

Among the 134 entrepreneurs, nearly 70% were Males and 30% were females. In the case of both Trained and untrained entrepreneurs, Males were more than Females. Though many EDPs had been conducted exclusively for women, their participation were found to be relatively less. The present study revealed that the participation of male entrepreneurs in EDPs were significantly higher than that of females (chi-square^2 = 4.252, Degree of freedom = 1).

Table 6.2

Sex-wise Distribution

Sex	Trained %	Untrained	Total
Male	41 (61.2)	52 (77.6)	93 (69.40)
Female	26 (38.8)	15 (22.4)	41 (30.60)
Total	67 (100.00)	67 (100.00	134 (100.00)

(Figures in parenthesis show percentage)

6.3. Distribution of Respondents according to location

A comparison of EDP Trained and Untrained entrepreneurs with regard to the location of their units is given in Table 6.3. In both the cases, majority of the entrepreneurs were situated in Rural area.

Table 6.3

Distribution of Respondents according to location

Location	Trained	Untrained	Total
Inside the town	26 (38.8)	19 (28.4)	45 (33.58)
Industrial Estate	3 (4.5)	6 (9.0)	9 (6.72)
Industrial area	10 (14.9)	11 (16.4)	21 (15.67)
Rural area	28 (41.8)	31 (46.3)	59 (44.03)
Total	67 (100.00)	67 (100.00)	134 (100.00)

(Figures in parenthesis show percentage)

Out of 134 entrepreneurs, 44% started their units in Rural area. Town areas were thickly populated and they found it difficult to get the permission of neighbours where manufacturing had to be conducted. Because of the fear of pollution they objected to the starting of manufacturing concerns. In the case of 67 trained entrepreneurs 41% and untrained entrepreneurs 46.3% were running their units in Rural area. Units inside the town constituted 33.58% which consisted of more service concerns like Beauty Parlour, Software development and manufacturing & marketing concerns like Garment making, emergency lamps, UPS, step-ups etc which did not make much pollution. Though Industrial Estates and Mini Industrial Estates (MIES) were situated in all the districts, out of 134 entrepreneurs, only 6 % were in Industrial Estates out of which, only 4% were trained. This showed that trained entrepreneurs were not much attracted to industrial estates. In a study it was observed that the entrepreneurs prefer to establish units

in the industrial estates and industrial areas to have better contacts with other entrepreneurs as well as to obtain the facilities of the Governmental agencies engaged in the development of small industries[1].

6.4. Caste-wise Distribution

Out of the 67 trained entrepreneurs studied 50.7% were from forward community and 49.3% belonged to the backward community. Among the untrained category 56.7% and 43.3% were from forward and backward communities respectively. No significant caste-wise variation was observed (Chi square = 0.480, Degree of freedom = 1). There were not much variations between trained and untrained entrepreneurs in respect of caste, marital status and age.

Table 6.4

Caste-wise Distribution

Community	Trained	Untrained	Total
Forward	34 (50.7)	38 (56.7)	72 (53.73)
Backward	33 (49.3)	29 (43.3)	62 (46.27)
Total	67 (100.00)	67 (100.00)	134 (100.00)

(Figures in parenthesis show percentage)

6.5. Marital Status

Majority of the entrepreneurs among both the trained and untrained were married. 20.9% trained and 6.% untrained entrepreneurs were not married.

Table 6.5

Marital Status

Status	Trained	Untrained	Total
Single	14 (20.9)	11 (16.4)	25 (18.66)
Married	53 (79.1)	56 (83.6)	109 (81.34)
Total	67 (100.00)	67 (100.00)	134 (100.00)

(Figures in parenthesis show percentage)

The marital status was found to have no significant influence in starting industries among trained and untrained. (chi-square value = 0.443, df = 1)

6.6. Age-wise Distribution

Among the sample entrepreneurs, only 12.69% were below the age of 30 and majority belonged to the age group of 30-40.

Table 6.6

Age-wise Distribution

Age	Trained	Untrained	Total
<30	10 (14.9)	7 (10.4)	17 (12.69)
30-40	37 (55.2)	38 (56.7)	75 (55.97)
40-50	20 (29.9)	22 (32.84)	42 (31.34)
>50	-	-	-
Total	67 (100.00)	67 (100.00)	134 (100.00)

(Figures in parenthesis show percentage)

Table 6.6 showed that both trained and untrained entrepreneurs in the middle age group (30-40) had significantly high entrepreneurship trend (chi-square value = 3.568, df = 3)

6.7. Religion-wise Distribution

Among the sample entrepreneurs of four districts the Hindus constituted maximum (55.97%), the Christians came second (25.37%) followed by the Muslims (18.66%).

Table 6.7

Religion-wise Distribution

Religion	Trained	Untrained	Total
Hindu	37 (55.2)	38 (56.7)	75 (55.97)
Christian	16 (23.9)	18 (26.8)	34
Muslim	14 (20.9)	11 (16.4)	25
Total	67 (100.00)	67 (100.00)	134 (100.00)

(Figures in parenthesis show percentage)

6.8. Educational Qualification

Educational background of trained and untrained entrepreneurs is presented in table 6.8.

Table 6.8

Educational Qualification

	Trained	Untrained	Total
SSLC	17 (25.0)	14 (20.9)	31 (23.13)
Degree	35 (52.3)	37 (55.2)	72 (53.74)
Technical/Professional	15 (22.4)	16 (23.9)	31 (23.13)
Total	67 (100.00)	67 (100.00)	134 (100.00)

(Figures in parenthesis show percentage)

As was evident from the table entrepreneurs in this study were generally well educated. In respect of both Trained and

Untrained entrepreneurs, majority (53.74%) were graduates, 23.13% were in the group of SSLC and 23.13% were having technical qualifications.

6.9. Family background

One of the major objectives of EDPs is to create first generation entrepreneurs. Family background of trained and untrained entrepreneurs were compared in the following table.

Table 6.9

Family background

Family background	Trained	Untrained	Total
Agriculture	14 (20.9)	13 (19.4)	27 (20.15)
Business	17 (25.0)	19 (28.4)	36 (26.87)
Industrial	5 (7.5)	13 (19.4)	18 (13.43)
Service	11 (16.4)	9 (13.4)	20 (14.93)
Govt. Job	20 (29.9)	13 (19.4)	33 (24.63)
Total	67 (100.00)	67 (100.00)	134 (100.00)

(Figures in parenthesis show percentage)

Table.6.9 showed that 47.76% of untrained entrepreneurs were either from business or industrial background, compared to 32.84% trained. Among the EDP trained entrepreneurs, majority were those whose parents were Government employees (29.9%), 20.9% with an agricultural background and 16.4% from service

sector. Among the untrained group, 19.4% with Govt. Job and 13.4% from service sector. It was observed that persons without business background were also coming up in a sizeable number as entrepreneurs. Out of 18 entrepreneurs who had industrial background, only 5 were EDP Trainees. This showed that EDPs were not popular among those who had industrial/business background. EDPs mainly aim at First generation entrepreneurs and second generation entrepreneurs seldom attended training programmes.

6.10. Family Structure

There was a tendency traditionally on the part of industrialists to live in joint families, so that each member of the family would contribute and support one way or the other. It was generally believed that entrepreneurs coming from joint families experienced less strain than entrepreneurs from a nuclear family. Contrary to this, the preset study showed a different trend.

Table 6.10

Family Structure

	Trained	Untrained	Total
Joint	24 (35.8)	25 (37.3)	49 (36.57)
Nuclear	43 (64.2)	42 (62.7)	85 (63.43)
Total	67 (100.00)	67 (100.00)	134 (100.00)

(Figures in parenthesis show percentage)

63.43% entrepreneurs were from Nuclear families. Recent studies supported this. A study on women entrepreneurs[2] found that Nuclear family structure was more pre-dominant to that of joint family structure.

There was no significant variation between Trained and Untrained entrepreneurs in this respect (chi-square = 0.032, Degree of freedom =1). Only 36% were from Joint families. This goes with the preset trend that people prefer individual and independent units rather than joint families[3].

6.11. Age at the Commencement of the unit

Majority of the trained entrepreneurs started their unit at the age group of below 30(47.8%), whereas majority of the untrained entrepreneurs fall in the age group of 30-40.

Table 6.11

Age at the Commencement of the Unit

Age	Trained	Untrained	Total
< 30	32 (47.8)	29 (43.3)	61 (45.52)
30-40	27 (40.3)	31 (46.3)	58 (43.28)
40-50	8 (11.9)	7 (10.4)	15 (11.20)
> 50	-	-	-
Total	67 (100.00)	67 (100.00)	134 (100.00)

(Figures in parenthesis show percentage)

Average age in respect of Trained group was 30.33 and untrained group was 30.40. Similar observations were made in a previous study[4], and the average age of women entrepreneurs at the time of starting enterprise was 31.88 years.

6.12. Occupation before establishing Unit

Prior occupation an entrepreneur had direct as well as effective link with the present occupation[5+]. An attempt was made to know the entrepreneur's previous occupation before establishing the present unit.

Table 6.12

Occupation before establishing Unit

Occupation	Trained	Untrained	Total
Studying	13 (19.4)	9 (13.4)	22 (16.42)
No Job	28 (41.8)	19 (28.4)	47 (35.07)
Employed in Industry	17 (25.4)	22 (32.8)	39 (29.10)
Running own unit	5 (7.5)	10 (14.9)	15 (11.19)
Business/Trade	4 (6.0)	7 (10.4)	11 (8.22)
Total	67 (100.00)	67 (100.00)	134 (100.00)

(Figures in parenthesis show percentage)

As seen from the table, of the total 134 entrepreneurs studied 35% had no jobs, 29.10% were employed in Industry, 16% were students, 11% were running own unit and 8% were engaged in

Business/Trade. 48.51% were in some way or the other connected with Business/Industry. Among the trained entrepreneurs majority (41.8%) had no jobs before starting the units, 24.4% were employed in industry, 19.4% were studying, 7.5% were running own units and 6% were engaged in business or trade. Among the untrained majority 32.85% were employed in industry, 28.4% were jobless, 14.9% were running own units, 13.4% were studying and 10.4% were engaged in business or trade. This showed that previous experience in industry and business appeared to provide some appreciable inducement to entrepreneurship.

6.13. Year of establishment and Number of units started

Table 6.13

Year of Establishment and Number of units started

Year	No. of units		Total
	Trained	Untrained	
1994	8 (11.94)	11 (16.42)	19 (14.18)
1995	6 (9.0)	8 (11.94)	14 (10.45)
1996	27 (40.30)	24 (35.82)	51 (38.06)
1997	16 (23.88)	14 (20.90)	30 (22.39)
1998	10 (14.93)	10 (14.93)	20 (14.93)
Total	67 (100.00)	67 (100.00)	134 (100.00)

(Figures in parenthesis show percentage)

It was clear from the table 6.12 that maximum units were registered in 1996(38.06%). The pace of industrialization was low

in 1995. During the years 1996 and 1997, units set-up by Trained entrepreneurs were more than untrained entrepreneurs.

6.14. Nature of business

On the basis of nature of business entrepreneurs were categorized into three – those who were doing Job Work, engaged in Manufacturing and Marketing and in Service Sector (table-6.14).

Table 6.14

Nature of Business

Nature of business	Trained	Untrained	Total
Job works	6 (8.96)	8 (11.94)	14 (10.45)
Manufacturing & Marketing	47 (70.15)	51 (76.12)	98 (73.13)
Service	14 (20.89)	8 (11.94)	22 (16.42)
Total	67 (100.00)	67 (100.00)	134 (100.00)

(Figures in parenthesis show percentage)

Of the total sample of 134 entrepreneurs, more than 70% were engaged in manufacturing and marketing. In the Service sector, trained entrepreneurs constituted 20.89% while the untrained group in this sector had come to 11.94%. This indicated that EDP had been effective in service sector. Comparing to manufacturing & marketing sector the risk involved was less in the service sector.

6.15. Type of Organisation

Form of organization generally had a bearing on all aspects of an enterprise as managing the enterprise ultimately depended on

whether it was a sole proprietorship or partnership or a joint stock company. In the case of sole proprietorship, financial constraints and in the case of partnership and co-operative firms, co-ordination and expansion problems came in the way of efficient management of enterprise activity.

Table 6.15

Type of Organisation

	Trained	Untrained	Total
Sole proprietorship	56 (83.6)	48 (71.6)	104 (77.61)
Partnership	5 (7.5)	16 (23.9)	21 (15.67)
Private Company	4 (6.0)	2 (3.0)	6 (4.48)
Co-operative Society	2 (3.0)	1 (1.5)	3 (2.24)
Total	67 (100.00)	67 (100.00)	134 (100.00)

(Figures in parenthesis show percentage)

The typical form of organization structure in the small scale industries appeared to be of proprietary ownership. Out of 134 sample units, sole proprietorship accounted for 77.61%. The form of organization was based on certain factors like capital invested and scale of operation. Partnership accounted for 15.67% and the other types were very few. More than 80% of Trained entrepreneurs started sole proprietorship where as only 7.5% were partnerships. The typical form of organization structure in the small-scale industries appeared to be of proprietary ownership. Similar organizational pattern was observed among the untrained

category also (table 6.15) Where as in a study conducted in Punjab, 60% of the establishments were partnership firms and it was found that partnership form organization helped the entrepreneurs in overcoming initial problems of risk in capital and managerial/technical manpower while the sole proprietors tended to avoid interference of partners and were themselves financially sound[6].

6.16. Number of persons employed

Table 6.16

No. of Persons employed

No. of persons employed	Trained	Untrained	Total
< 5	34 (50.7)	17 (25.4)	51 (38.06)
5-10	20 (29.9)	23 (34.3)	43 (32.09)
10-20	7 (10.4)	14 (20.9)	21 (15.67)
20-30	1 (1.5)	8 (11.9)	9 (6.72)
30-40	1 (1.5)	-	1 (0.75)
40-50	3 (4.5)	5 (7.5)	8 (5.97)
>50	1 (1.5)	-	1 (0.75)
Total	67 (100.00)	67 (100.00)	134 (100.00)

(Figures in parenthesis show percentage)

The table 6.16 showed the employment being generated in the small scale sector under study. Majority of units run by trained entrepreneurs had offered employment to less than 5 persons

(50.7%) while the untrained group generated job opportunities for 5-10 persons (34.3%).

6.17. Initial investment in Plant & Machinery

Table 6.17

Initial investment in Plant & Machinery

Initial investment (in lakhs)	Trained	Untrained	Total
< 5	48 (71.6)	39 (58.2)	87 (64.93)
5-10	11 (16.4)	9 (13.4)	20 (14.93)
10-20	-	7 (10.4)	7 (5.22)
20-30	-	4 (6.0)	4 (3.00)
30-50	6 (9.0)	6 (9.0)	12 (8.96)
50-75	1 (1.5)	2 (3.0)	3 (2.24)
75-100	1 (1.5)	-	1 (0.75)
Total	67 (100.00)	67 (100.00)	134 (100.00)

(Figures in parenthesis show percentage)

Table 6.17 presented the analysis of initial investment in the enterprise by 134 entrepreneurs selected for the study. The extent of capital investment depends naturally on the nature of units. It has been a general feeling that the ratios of fixed and working capital depend on the nature of industry. Service undertakings require generally lesser capital. Where the service unit required the installation of some machines and provision of certain basic infrastructure, the investment in fixed capital would be more. Out

of 134 units, the capital investment was less than Rs.5 lakhs in as many as 87 enterprises. Among the trained entrepreneurs 88% and untrained entrepreneurs 71.6% invested below 10 lakhs.

6.18. Average Annual Turnover

Table 6.18

Average Annual Turnover

Annual Turnover (In Lakhs)	Trained (T)	Untrained (U)	Total
< 5	38 (56.7)	29 (43.3)	67 (50.00)
5-10	11 (16.4)	8 (11.9)	19 (14.18)
10-20	5 (7.5)	5 (7.5)	10 (7.46)
20-30	3 (4.5)	6 (9.0)	9 (6.72)
30-40	4 (6.0)	2 (3.0)	6 (4.48)
40-50	3 (4.5)	8 (11.9)	11 (8.21)
>50	3 (4.5)	9 (13.4)	12 (8.95)
Total	67 (100.00)	67 (100.00)	134 (100.00)

(Figures in parenthesis show percentage)

Table 6.18 showed the distribution of average annual turnover for the past 3 years. 50% of the total units were in the group of less than Rs.5 lakhs. In the case of investment and annual turnover, correct data were not provided by the entrepreneurs. Hence getting accurate result was difficult.

6.19. Motivational Factors

Motivation is psychological technique of executing the plans and policies through the efforts of others. It is a means of triggering human desire to do. It is through motivation that the small entrepreneur inspires the subordinates to do what he wants them to do. Therefore, motivation has a definite effect on starting/attracting small-scale industries in a backward region.

According to Prof. Sharma, a vast majority of the new entrepreneurial class was prompted to enter industry mainly because of 3 factors:

(1) They had a strong desire to do something independent in life;

(2) They possessed technical knowledge or trading or manufacturing experience in the same or related line; and

(3) Governmental and institutional assistance became available to those who would have, perhaps, otherwise not taken to entrepreneurial activity. There is another class of people who had no inclination but came just fortuitously[7].

Some studies indicated that at small scale level, profit motive inspired small scale entrepreneurs[8]. Both Trained and Untrained entrepreneurs were asked about the factors which motivated them to

establish the present industry. They were requested to distribute 100 points according to the importance of these factors to them. The responses are recorded in Table 6.19. Previous experience in any related field would help the entrepreneurs to achieve success in the activity.

Table 6.19

Motivational Factors

Motivational Factors	Upto to 20 Very low		21-40 Low		41-60 Medium		61-80 High		81-100 V. High	
	T	U	T	U	T	U	T	U	T	U
Acquired skill	41 (61.19)	41 (61.19)	16 (23.88)	2 (3.00)	6 (9.00)	10 (14.93)	1 (1.50)	9 (13.43)	3 (4.5)	5 (7.5)
Profit Motive	-	-	8 (11.94)	15 (22.39)	22 (32.84)	14 (20.90)	9 (13.43)	8 (11.94)	28 (41.79)	30 (44.77)
Prior Industrial/Business experience	36 (53.73)	30 (44.77)	8 (11.94)	1 (1.50)	7 (10.4)	3 (4.5)	3 (4.5)	9 (13.43)	13 (19.40)	24 (34.82)
Help from Promotional Agencies	34 (50.75)	.57 (85.07)	8 (11.94)	6 (9.00)	13 (19.4)	3 (4.5)	5 (7.5)	-	7 (10.4)	1 (1.50)
Availability of Raw material	46 (68.66)	46 (68.66)	10 (14.93)	6 (9.00)	6 (9.00)	8 (11.94)	2 (3.00	2 (3.00)	3 (4.5)	5 (7.5)
Labour & Infrastructural facilities	40 (59.70)	42 (62.69)	13 (19.40)	11 (16.41)	9 (13.43)	7 (10.4)	2 (3.00)	3 (4.5)	3 (4.5)	4 (6.0)
Continuation of family business	61 (91.04)	57 (85.07)	1 (1.50)	3 (4.5)	1 (1.50)	2 (3.00)	1 (1.50)	2 (3.00)	3 (4.5)	3 (4.5)
Business interest/ to be independent	15 (22.39)	35 (52.24)	3 (4.5)	2 (3.00)	8 (11.94)	2 (3.00)	10 (14.93)	3 (4.5)	31 (46.27)	25 (37.31)

(Figures in parenthesis show percentage)

Analysis of motivational factors revealed that help from promotional agencies was a significant factor in motivating the EDP trained entrepreneurs in launching their own unit. It was clear

that EDP training instilled self confidence in trained entrepreneurs that more than 70% of them wanted to be economically independent and interested in starting business, while out of the untrained, only 44.78% were in this group.

Acquired skill motivated 10 (14.92%) trained entrepreneurs and 24 (35.82%) untrained entrepreneurs. Profit motive motivated 59 (88.06%) Trained and 52 (77.61%) untrained entrepreneurs. Previous experience in any related field would help the entrepreneurs to achieve success in the activity. They gained confidence out of previous experience. Prior industrial/business experience prompted 23 (34.33%) Trained and 36 (53.73%) untrained entrepreneurs. Help from promotional agencies was considered significant by 25 (37.31%) EDP trained entrepreneurs while only 4 (6.00%) untrained entrepreneurs were inspired by this factor. Availability of raw materials prompted 11 (16.42%) Trained entrepreneurs and 15 (22.39%) untrained entrepreneurs. Labour and infrastructural facilities was a motivating factor for 14 (20.90%) trained and 14 (20.90%) untrained entrepreneurs. Continuation of family business was the main facilitating factor for 5 (7.5%) and 7 (10.45%) untrained entrepreneurs. This was not a significant factor. Business interest and to be independent was a strong motivating factor for 49 (73.13%) EDP trained and 30 (44.78%) untrained entrepreneurs).

6.20. Techno - Economic/Market Survey

Market survey implied a systematic and rational study of markets to collect information relevant for making decisions concerning marketing. It involved the objective and critical analysis of markets in terms of their size, location sales potential, degree of competition etc. Market surveys provided a factual basis for marketing planning and control. Techno-economic survey was conducted to assess the technical, economic and commercial feasibility of the project prior to its selection. Entrepreneurs were asked whether they had conducted techno-economic/Market Survey before the launching of business enterprise.

Table 6.20

Techno-Economic Survey

Response	Trained	Untrained	Total
Yes	45 (67.2)	30 (44.8)	75 (55.03)
No	22 (32.8)	37 (55.2)	59 (44.03)
Total	67 (100.00)	67 (100.00)	134 (100.00)

(Figures in parenthesis show percentage)

Among the trained entrepreneurs 67.2% and 44.8% of untrained entrepreneurs conducted this survey. Conducting of Market Survey was one of the course contents of EDP, still 32.8% of Trained entrepreneurs did not conduct any survey.55.2% untrained entrepreneurs had not conducted any market survey before the launching of the unit.

6.21. Untrained Entrepreneurs – Reasons for not attending Training Programme

Untrained entrepreneurs were asked to state the reason for not attending EDP and their responses are recorded below

Table 6.21

Untrained Entrepreneurs – Reasons for not attending Training Programme

Reasons	No.
Not aware of it	34 (50.75)
Did not find time	6 (9.0)
Duration not convenient	2 (3.0)
Felt not necessary	18 (26.87)
Course not relevant	7 (10.45)
Total	67 (100.00)

(Figures in parenthesis show percentage)

Out of 67 entrepreneurs, 51% stated their reason for not attending EDP was that they were not aware of this training Programme. This showed that the publicity of this programme was inadequate. Nearly 40% did not feel the necessity of undergoing training or that the course was not relevant. From the discussion, it was found that these entrepreneurs, neither knew anything about training nor discussed with trained persons. This was a clear indication of ineffective awareness programmes in this field.

6.22. Problems in Starting and conducting Business

The growth and development of small sector units have been constrained by several factors including technological obsolescence, inadequate and irregular supply of raw materials, lack of organized marketing channels, imperfect knowledge of market conditions, unorganized nature of operations, inadequate availability of credit, constraints of infrastructural facilities including power and deficient managerial and technical skills. There has been lack of effective co-operation among the various support organizations set up over the period for the promotion and development of these small industries and quality consciousness has not been generated to the desired level. Beginning from the project identification, project report preparation going through the complex processes of getting licenses, registration acquisition of factors of production and finally implementation of the project was a challenge to an entrepreneur. He had to bear with the risk inherent in every stage of implementing a viable scheme. Both trained and untrained entrepreneurs asked to mark their problems they had to encounter at the time of starting and running the business. They were requested to distribute 100 points according to the intensity of problems. The responses are tabulated and shown in Table 6.22

Table 6.22
Problems in Starting/Running the Business

Problems	Upto 20 Very Low		21-40 Low		41-60 Medium		61-80 High		81-100 Very high	
	T	U	T	U	T	U	T	U	T	U
Project Identification	53 (79.10)	61 (91.04)	10 (14.93)	1 (1.50)	1 (1.50)	2 (3.00)	1 (1.50)	-	2 (3.00)	3 (4.5)
Raw material, Infrastructure etc.	36 (53.73)	39 (58.21)	16 (23.88)	7 (10.4)	4 (6.00)	11 (16.41)	3 (4.5)	5 (7.5)	8 (11.94)	5 (7.5)
Registration	39 (58.21)	30 (44.77)	11 (15.41)	12 (17.91)	10 (14.93)	11 (16.41)	3 (4.5)	5 (7.5)	4 (6.00)	9 (13.43)
Project Report Preparation	54 (80.60)	54 (80.60)	10 (14.93)	10 (14.93)	2 (3.00)	2 (3.00)	-	-	-	1 (.5)
Technical/Managerial	48 (71.64)	54 (80.60)	11 (16.41)	6 (9.00)	5 (7.5)	3 (4.5)	1 (1.5)	2 (3.00)	1 (1.5)	2 (3.00)
Marketing	40 (59.70)	41 (61.19)	14 (20.90)	9 (13.43)	4 (6.00)	6 (9.00)	2 (3.00)	-	7 (10.4)	11 (16.41)
Contact with officials	25 (37.31)	27 (40.30)	16 (23.88)	5 (7.5)	7 (10.4)	11 (16.41)	7 (10.4)	6 (9.00)	12	18
Assessment of working capital	36 (53.73)	41 (61.19)	9 (13.43)	2 (3.00)	7 (10.4)	10 (14.93)	5 (7.5)	5 (7.5)	11 (16.41)	9 (13.43)
Labour Management	47 (70.15)	45 (67.16)	11 (16.41)	10 (14.93)	6 (9.00)	7 (10.4)	-	-	4 (6.00)	5 (7.5)
Financial Management	28 (41.79)	46 (68.66)	15 (22.39)	10 (14.93)	12 (17.91)	6 (9.00)	4 (6.0)	2 (3.00)	8 (11.94)	3 (4.5)
Govt. policies	37 (55.22)	36 (53.73)	14 (20.90)	10 (14.93)	8 (11.94)	2 (3.00)	1 (1.5)	9 (13.43)	7 (10.4)	10 (14.93)

(Figures in parenthesis show percentage)

Project identification was found to be a problem at the time of starting the unit by 6% trained and 7.5% untrained entrepreneurs. Availability of Raw material, Labour and infrastructure were problems for 22.40% trained and 31.34% untrained entrepreneurs. Registration was difficult for 25.37% trained and 37.31% untrained entrepreneurs. Project report preparation was found to be difficult for 3% trained and 4.5% untrained entrepreneurs. Technical and Managerial problems were experienced by 10.45% trained and 10.45% untrained entrepreneurs. Marketing problems were relatively less for trained than untrained entrepreneurs (19.40% and 25.37% respectively).

Contact with officials was a problem for only 38.81% among the trained while 52.24% untrained entrepreneurs encountered this problem. Trained entrepreneurs during and after EDP got exposure to various support systems and other offices and they were in a better position compared to untrained entrepreneurs. Assessment of working capital was difficult for 34.33% trained and 35.82% untrained entrepreneurs. Labour management was a problem for 14.93% trained and 17.91% untrained entrepreneurs. Financial Management was more difficult for trained comparing to untrained entrepreneurs (35.82%, 16.42% respectively). Government policies was found to be a problem by 23.88% trained and 31.34% untrained entrepreneurs.

It was apparent that less trained entrepreneurs experienced difficulty in Registration, compared to untrained entrepreneurs. This was one impact of EDP training, as they had sessions on Registration procedures, whom to contact, where to contact etc.

6.23. Problems of Small Entrepreneurs

With an understanding of problems faced by a large of small businesses, owner/managers might prepare themselves through a variety of activities such as information searching, education and training to handle the issues. Understanding the problem pattern also helped training organizations and external consultants to

identify areas for training and consulting and ultimately direct policy makers to the areas of greatest potential for improvement in the sector.

6.24. Problems of Finance

Finance is the life blood of business. One important problem in finance was that goods had to be sold on credit. Getting loan from financial institutions was another problem. Service firms had fewer problems in financing and operations management, while small manufacturing firms encountered more problems in financing and fewer problems in human resource management than their larger counterparts.

Table 6. 23

Problems of Finance

Problems	Upto 20		21-40		41-60		61-80		81-100	
	T	U	T	U	T	U	T	U	T	U
1. Shortage of finance for W.C.	23 (34.3)	26 (38.8)	11 (16.4)	15 (22.4)	25 (37.3)	20 (29.8)	3 (4.5)	5 (7.5)	5 (7.5)	1 (1.5)
2. Shortage of F.C.	34 (50.7)	38 (56.7)	18 (26.9)	12 (17.8)	15 (22.4)	13 (19.5)	-	4 (6.0)	-	-
3. High Rates of Interest	25 (37.3)	28 (41.8)	15 (22.4)	10 (14.7)	21 (31.4)	24 (35.8)	1 (1.5)	2 (3.0)	5 (7.5)	3 (4.5)
4. Meagre assistance from Govt.	38 (56.7)	42 (62.7)	25 (37.3)	18 (26.5)	2 (3.0)	5 (7.5)	2 (3.0)	-	-	2 (3.0)
5. Getting subsidy	43 (64.2)	38 (56.7)	19 (28.5)	14 (20.9)	5 (7.5)	13 (19.5)	-	-	-	2 (3.0)

(Figures in parenthesis show percentage)

Working capital was necessary for day to day functioning of the business. A common problem which entrepreneurs faced was

the shortage of finance for working capital. In job works and service sector, working capital was not a problem, whereas in manufacturing and marketing sector, since most of the transactions were carried out on credit terms, working capital was a problem. Entrepreneurs experienced difficulty in collection of debt. Delay in collection of debt results in working capital deficiency. 49.2% trained entrepreneurs and 38.8% untrained entrepreneurs experienced shortage of working capital. Fixed capital was necessary for acquisition of fixed assets and for expansion of business. 22.5% trained entrepreneurs and 25.4% untrained entrepreneurs encountered shortage of fixed capital. Interest on loan was a statutory obligation that was payable irrespective of financial situation of the firm. Small entrepreneurs found high rates of interest on loans very difficult. Both trained and untrained entrepreneurs complained that the rates charged on loans were very high. 40.3% trained and 43.3% untrained entrepreneurs experienced this problem.

6% trained entrepreneurs and 10.5% untrained entrepreneurs experienced the problem of meagre assistance from Government. 7.5% trained and 22.5% untrained entrepreneurs faced the problem of subsidy. In this respect, trained entrepreneurs benefited by EDP training. In EDP sessions, they got sufficient information about

subsidy and concessions and they knew whom to approach, how to apply, when to apply etc.

Both trained and untrained entrepreneurs suggested that financial help for high interest rate should be reduced. The procedure of loan disbursal should be simplified. Some complained of the discouraging attitude of financial Institutions.

6.25. Problems in Marketing

Marketing by small scale entrepreneurs was always a problem and had many limitations due to scale of operations. It was the functional area which was to be given maximum weightage as it was through that, one realized the entrepreneur's ambitions.

Table 6.24

Problems in Marketing

Problems	Upto 20		21-40		41-60		61-80		81-100	
	T	U	T	U	T	U	T	U	T	U
1. Competition from small firms	27 (40.3)	28 (41.8)	17 (25.37)	17 (25.37)	22 (32.84)	16 (23.88)	-	3 (4.5)	1 (1.5)	3 (4.5)
2. Competition from large firms	22 (32.8)	23 (34.3)	16 (23.88)	8 (11.9)	24 (35.8)	29 (42.6)	3 (4.5)	4 (6.0)	2 (3.0)	3 (4.5)
3. Price control	51 (76.1)	49 (73.1)	11 (16.4)	16 (23.88)	4 (6.0)	2 (3.0)	-	-	1 (1.5)	-
4. Distn. Control	55 (82.1)	62 (92.5)	8 (11.9)	5 (7.5)	3 (4.5)	-	-	-	1 (1.5)	-
5. Lack of Govt support	50 (74.6)	56 (83.6)	15 (22.4)	7 (10.3)	2 (3.0)	4 (6.0)	-	-	-	-
6. Lack of Mkg in Information	41 (61.2)	55 (82.1)	11 (16.5)	8 (11.9)	13 (19.5)	3 (4.5)	-	-	2 (3.0)	1 (1.5)
7. Lack of capacity to offer credit	54 (80.6)	30 (44.8)	5 (7.5)	14 (20.9)	6 (9.0)	19 (28.4)	1 (1.5)	2 (3.0)	1 (1.5)	2 (3.0)

(Figures in parenthesis show percentage)

Small firms were facing competition from small firms. 34.3% trained and 32.8% untrained entrepreneurs were facing this problem. Some small firms complained that they had to face competition from large firms. 42.6% trained and 53.8% untrained entrepreneurs encountered this problem. In the area of price, distribution etc, they had not recorded any difficulty. 11.9% trained and 34.3% untrained entrepreneurs stated lack of capacity to offer credit as a problem. Women entrepreneurs found it very difficult to collect debts. Most of the transactions were conducted on credit basis. Some garment manufacturers complained that in towns, street vendors were a threat to them especially during festival seasons and they suggested that this should be prohibited by order.

6.26. Problems in Raw material

A major problem that the small scale industries had to face was regarding the procurement of raw materials. They often faced the difficulty of scarcity of raw materials, high price and problem of transport.

Table 6.25

Problems in Raw material

Problems	0		1-25		26-50		51-75		76-100	
	T	U	T	U	T	U	T	U	T	U
1. Scarcity	50 (74.6)	42 (62.7)	6 (9.0)	5 (7.5)	9 (13.4)	16 (23.88)	1 (1.5)	2 (3.0)	1 (1.5)	2 (3.0)
2. High Price	40 (59.7)	37 (55.2)	3 (4.5)	8 (12.0)	10 (14.9)	12 (17.8)	2 (3.0)	2 (3.0)	12 (17.9)	1 (1.5)
3. Problem of Transport	54 (80.6)	47 (70.1)	6 (9.0)	7 (10.5)	5 (7.5)	9 (13.4)	1 (1.5)	1 (1.5)	1 (1.5)	1 (1.5)

(Figures in parenthesis show percentage)

Raw material scarcity was more experienced by untrained entrepreneurs, which showed that EDP training helped entrepreneurs to know from where to get raw materials, and whom to contact. Regarding high price of raw materials, there was not much variation in both group's reactions. 35.8% trained entrepreneurs and 32.8% untrained, entrepreneurs experienced this difficulty. Transporting of raw materials was experienced by 10.5% trained and 16.4% untrained entrepreneurs. It was clear that EDPs could help entrepreneurs in getting information regarding source of availability of raw materials.

The problem of raw materials was intimately connected with lack of adequate working capital. Sometimes the raw materials were available but entrepreneurs did not have the working capital to procure them. Some scarce raw materials were distributed by State Agencies at controlled prices.

6.27. Problems in Power

Shortage of power was a threat to the very existence of the industries in the manufacturing sector. Power cuts also affected production to a large extent. Because of acute power shortage production schedules were disturbed in small industries.

Table 6.26
Problems in Power

Problems	Upto 20		20-40		40-60		60-80		80-100	
	T	U	T	U	T	U	T	U	T	U
1. Scarcity	38 (56.7)	25 (37.3)	4 (6.0)	16 (23.88)	22 (32.84)	25 (37.31)	2 (3.0)	1 (1.5)	1 (1.5)	-
2. Uncertainty	36 (53.7)	19 (28.4)	10 (15.0)	5 (7.5)	16 (23.88)	32 (47.1)	3 (4.5)	7 (10.5)	2 (3.0)	4 (6.0)
3. High Cost	36 (53.7)	27 (40.3)	8 (12.0)	14 (20.9)	14 (20.9)	19 (28.3)	3 (4.5)	3 (4.5)	6 (9.0)	4 (6.0)

(Figures in parenthesis show percentage)

Scarcity, uncertainty and high cost of electricity were the common problems recorded by both trained and untrained entrepreneurs. 37.3% trained and 38.8% untrained entrepreneurs encountered the problem of power scarcity. 31.4% trained entrepreneurs and 64.2% untrained entrepreneurs experienced the problem of uncertainty. Frequent power failure affected production very much. Some entrepreneurs stated that it was not possible for them to use generators or other alternative arrangements to face the problem of uncertainty. 34.3% trained and 38.8% untrained entrepreneurs stated that the cost of electricity was very high and they strongly demanded that it should be reduced. They argued that high electricity charges was a threat to the very existence of small units.

6.28. Labour Problems

Labour was another area in which entrepreneurs faced a number of problems. Very often, entrepreneurs faced labour shortage situation, particularly of skilled workers.

Table 6.27

Labour Problems

	0		1-25		26-50		51-75		76-100	
	T	U	T	U	T	U	T	U	T	U
1. Training	40 (59.7)	37 (55.2)	10 (15.0)	21 (31.4)	10 (15.0)	9 (13.4)	4 (6.0)	-	3 (4.5)	-
2. Union activities	59 (88.1)	48 (71.6)	7 (10.5)	10 (15.0)	-	6 (9.0)	1 (1.5)	2 (3.0)	-	1 (1.5)
3. Turnover	44 (65.7)	35 (52.2)	8 (12.0)	9 (13.5)	12 (17.8)	19 (28.4)	1 (1.5)	2 (3.0)	2 (3.0)	2 (3.0)
4. Absenteeism	34 (50.7)	36 (53.7)	8 (12.0)	12 (18.0)	13 (19.5)	13 (19.5)	7 (10.5)	2 (3.0)	5 (7.5)	4 (6.0)

(Figures in parenthesis show percentage)

25.5% Trained and 13.5% untrained entrepreneurs recorded lack of training of workers as a problem. Entrepreneurs were not facing trade union problems. Labour turnover was a problem encountered by 22.5% trained and 34.3% untrained entrepreneurs. 37.3% trained entrepreneurs and 28.4% untrained entrepreneurs faced the problem of absenteeism.

The problems of entrepreneurs are multi dimensional. These can be solved by the co-ordinated efforts of entrepreneurs, co-ordinated functioning of promotional agencies, and governmental assistance without bureaucratic delays. The entrepreneur has to be educated and he should have a proper training in acquiring the necessary skill in running an enterprise.

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A STUDY ON THE EFFECTIVENESS OF ENTREPRENEURIAL DEVELOPMENT PROGRAMMES FOR THE DEVELOPMENT OF SMALL SCALE INDUSTRIES IN KERALA

THESIS
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SUMMARY AND FINDINGS

CHAPTER - VII

SUMMARY AND FINDINGS

The main objective of this chapter is to summarise the findings of this research study and to suggest measures for the improvement of Entrepreneurial Development Programmes in the country. The observations were based on data collected from field survey and discussions made with entrepreneurs, EDP trainees, Executives of training organizations & Supporting Agencies and Trainers. Present study was therefore conceived so as to study the present practices of conducting EDPs by various organizations and determine the effectiveness of entrepreneurship training on those who attended such training. It was true that some are certainly born as entrepreneurs and not made. But it was proved by the experience of India and abroad that entrepreneurs could be produced by imparting right type of entrepreneurial and managerial training. A successful entrepreneur was he who possesses the human skills, business skills, professional skills, legal skills funds mobilizing skills, innovative & technical skills, behavioural and laison skills etc. The emphasis in future in entrepreneurial development programme should be given on the development of these skills so as to promote potential entrepreneurship in the country. The wave of

small scale industrialization in 'No Industry Districts' or 'Zero Industry Districts' was fastly strengthening with the evolution of entrepreneurial development programmes in the country. EDPs were acting as effective instruments for guiding industrial and economic development in the country and have also proved as a bonanza for tiny & small entrepreneurs. Over the last 40 years, a number of organization / institutions all over the country have conducted EDPs and created a large pool of first generation entrepreneurs in the Small Scale Sector.

In Kerala, a large number of Institutions have been functioning for the development of entrepreneurship in the Small Scale Sector. Though some studies have been conducted in some parts of India about EDPs, no such study had been conducted in this part of the country to analyse how far these training programmes have helped entrepreneurs. The present study, therefore, was undertaken with the following objectives.

1. To evaluate the effectiveness of EDPs in Kerala.
2. To assess the role of EDPs in self employment.
3. To conduct a comparative analysis between EDP trained and untrained entrepreneurs.
4. To study the problems and difficulties encountering EDPs in Kerala and suggest measures for improvement.

For the purpose of this study, samples were collected from 3 sectors ie Job works, Manufacturing & Marketing and Service. Institutions were selected on the basis of participation from different parts of the state. EDPs conducted by 6 institutions, CMD, DICs, KITCO, REC, SISI & STED formed the basis of the study. Four Districts of Kerala were selected – Ernakulam, Thrissur, Malappuram and Kozhikode and sample consisted of 202 respondents. For analyzing how far EDP was helpful, data have been collected from 135 EDP trained beneficiaries. Out of a sample of 135, 67 persons were running Small Scale Units and 68 were engaged otherwise. For making comparison data have also been collected from 67 untrained entrepreneurs.

To evaluate the effectiveness of EDPs in Kerala, Variable like selection procedure, contents of EDP syllabus, training Methodology, startup rate, Benefits given to trainees, Post training phase etc.were used. To assess the role of EDPs in self employment in addition to contents of FDP syllabus, training methodology, benefits received by trainees, variables like influence of EDPs in starting the business, Gestation period, Need for further training etc. were considered. For making comparative analysis between trained and untrained entrepreneurs, variables like caste, age, sex, family structure occupation before establishing the unit, nature of business,

No. of persons employed, year of establishment, initial investment, average annual turnover, motivational factors, Market survey, problems in starting and ring the business etc. were studied. Finally problems and difficulties of EDPs as well as small entrepreneurs were studied and suggestions were stated.

7.1. Present practices of conducting EDPs

- The present study was mainly confined to Training Programmes of Centre for Management Development (CMD), Kerala Industrial and Technical Consultancy Organisations (KITCO), Small Industries Service Institute (SISI), Science & Technology Entrepreneurship Development (STED) and District Industries Centres (DICs) which are conducting EDPs in almost all the districts of Kerala and Entrepreneurship Development Cell of Regional Engineering College, Calicut (REC) where participants from almost all the districts are attending EDPs.

7.2. Year of starting EDPs

- Out of 6 Training Institutions under study, DICs, KITCO and SISI started providing EDPs in 1970's CMD and REC in 1980's and STED in 1990's.

7.3. Number of EDPs conducted

- Six Entrepreneurship Development Organisations together conducted 167 training programmes during a period of 5 years (March 1994 to March 1999) and 4316 persons were trained.

7.4. Pre-training Activities

- Programme announcement in Newspapers one month before the programme, was the common method adopted by all the Institutions.
- Though Radio was used as one means of publicity, it was not found to be effective among EDP beneficiaries.
- Supporting organizations also publish details of Training Programmes
- Identification of viable project ideas and arranging infrastructure for smooth conduct of EDPs were also taken before starting Training Programme.

7.5. Target Groups

- Along with general EDPs, training was given to women, SC/ST, Engineers/Technical entrepreneurs and Ex-Servicemen groups.

- In this study, responses were received from General (64.7%) Engineering(4.41%) and Women(30.9%) target groups

7.6. Selection Procedure

- Training organizations gave importance to candidates Aptitude/Business interest and project idea rather than qualification and Business background at the time of selection.

7.7. Expenditure on EDPs

- It was found that all Training Organisations under study provide full time non-residential EDPs.
- Duration of the training programme varied between 3 months to one week.
- CMD, DICs, KITCO & STED were not charging any fees for training from participants, while SISI and REC were charging fees ranging between Rs.400 to Rs.600/-.
- Average in take for each programme of REC was 15-20, of DIC, SISI and KITCO were 30-35 and of CMD and STED were 25-30.
- Expenditure involved in conducting EDPs of SISI and DIC came to less than Rs.20,000, by STED and KITCO Rs.20,000 –

40,000 while CMD and REC incurred expenditure between Rs.60,000 – 80,000.

7.8. Faculty

- Faculty of EDP consisted of Academicians (22.5%) Technical/Professional (56.67%) and Government officials (20.83%)

- Training organizations own faculty and faculty from outside handles various sessions of EDP. Ratio of own faculty to faculty from outside varied between 25 : 75 to 75 : 25.

- It was found that those training organizations which promoted technical entrepreneurs had more technically qualified faculties.

7.9. Contents of EDP syllabus

- In the case of programme inputs, maximum weightage were given to market survey and market study (15%) followed by project identification (14.17%). 12.5% weightage was given to Achievement – motivation sessions which differentiates EDP from other training programmes. General awareness about planning, establishing and managing SSI units and project report preparation also got some weightage.

- Exposure to support system helped trainees to have easy access to various offices during post-training phase.

7.10. Training Methodology

- Training methodology consisted of class room sessions, industrial visits, practical and market survey. More than 60% of the time was allotted for classroom sessions.

- One Institution which used to conduct product-cum-process oriented EDP allotted major portion to practicals.

- Three Institutions admitted that they were conducting Entrepreneurial Awareness Programmes (EAPs) occasionally and one institution stated that they were conducting Entrepreneurial Awareness Programmes always while 2 Institutions organizes frequently.

- According to them, on an average, 15-20% of those who had undergone Entrepreneurship Awareness Programmes were attending EDPs.

- Though EDP was meant for potential entrepreneurs, existing entrepreneurs (7.4%) also attended EDPs when they decided to start additional units/diversification or modernization.

- Help provided by organizations to existing entrepreneurs include guidance in areas of modernization, expansion and diversification, identification of problems of the units, Management, Marketing, consultancy etc.

7.11. Benefits of EDP

- A five point scale has been used for collecting information about how much help they provide to EDP beneficiaries in setting up as well as running their own unit.

- Maximum help were given in areas of preparation of project report, marketing strategies, exposure to support system, information about incentives, subsidies and sales tax exemption, provisional and permanent Registration and Development of self confidence.

- Summated score value showed that SISI provided maximum assistance to entrepreneurs.

7.12. Start-up Rate

- Training organizations evaluation showed that a maximum of 20-30% of beneficiaries had started their own units.

7.13. Post-Training Phase

- Post training activities consisted of collection of feedback after training and follow-up methods.
- Feed back was collected by all the 6 Institutions.
- Followup activities consisted of meetings of trainees correspondences with them, visits by trainers in their units and post-training counselling.
- For analyzing follow up activities, Likert Scale Technique has been used.
- Letters convening followup meetings were sent by training organizations to trainees. But responses to these letters were very poor.
- Summated scale table showed maximum score in respect of follow up activities of SISI, Thrissur.

7.14. Problems faced by Training Organisations in Conducting EDPs

- Information relating to problems of conducting EDPs were collected by means of five point scale.

- Three Institutions experienced the problem of availability of interested participants.
- Four Institutions found conducting post training followup as a problem.
- Infrastructure for conducting EDP was a problem experienced by 4 Institutions.
- Heterogeneous background of Trainees, Low level of entrepreneurial awareness and conducting Market Survey were other problems faced by training organizations.
- Summated Score Value showed that SISI has recorded minimum problems in conducting EDPs

7.15. Impact of EDPs on entrepreneurs

For studying the effectiveness of EDPs on entrepreneurs, primary data was collected from 135 trainees of which 67 trainees (49.63%) were running units and 68 trainees (50.37%) were not running units. For the purpose of this study, data were collected from 135 trainees from 4 districts of Kerala – Thrissur, Kozhikode, Malappuram and Ernakulam who participated in EDP training conducted by 6 training institutions – CMD, DIC, KITCO, REC, SISI and STED. Out of 67 entrepreneurs, 10(7.4%) were existing

entrepreneurs at the time of undergoing EDP and 57 (42.2%) entrepreneurs started units after attending EDP.

7.16. Profile of Sample Trainees

- Out of 135 trainees 59.26% were males and 40.74% were females.
- Castewise distribution showed that 52.59% were from backward communities and 47.4% were from forward communities.
- 73.33% were married and 26.67% were not married.
- Age-wise distribution showed that 51.11% of trainees were in the age group of 30-40. 85% of the entrepreneurs were between 30-50 while non-entrepreneurs in this group constituted 66%. Higher maturity level of potential entrepreneurs acted as a facilitating factor in venture launching.
- Among the 135 EDP trainees, 48.15% were graduates, 27.41% were educated upon SSLC and 24.44% were having Technical qualification. Percentage of starters to the total showed that majority were graduates (53.85%).

7.17. Family background

- EDPs were mostly attended by those who came from business families (25.93%) agricultural families and whose parents had government jobs. (25.93%)

- Percentage of entrepreneurs to the total showed that 83.33% were with industrial background. Out of 6 trainees whose parents were industrialists, 5 started units. This showed that business/industrial background was significant in promoting entrepreneurship.

7.18. Previous occupation

- 19.4% of entrepreneurs started units after studies.

- Among these, majority (38.46%) came from business families.

- 41.8% were not doing anything before establishing unit, 25.4% were employed in industry, 7.5% were running own unit and 6% engaged in business/trade.

- Out of 17 entrepreneurs who were previously employed in industries, 6 had business/industrial background. This showed that previous experience in industry and business appears to provide some appreciable inducement to entrepreneurship.

7.19. Pre-EDP Status of non-entrepreneurs

- Before doing EDP, 44.12% were not having any job.
- 20.59% were employed in industry, 19.12% were studying, 11.76% were engaged in business/trade and 4.41% were running own unit.
- Majority of trainees (38.45%) joined for EDP after studies came from business families and in the case of trainees who were not doing anything before EDP, majority came from agricultural families (43.33%).

7.20. Nature of business

- 70.15% were engaged in manufacturing and marketing, 20.89% were in the service sector and 9% were doing job works.
- Majority of the entrepreneurs were undertaking manufacturing and marketing activities facing risk (70.15%).

7.21. Target group

- 67.41% attended General EDPs, 28.15% women EDPs and 4.44% participated in EDPs meant for engineers.
- Among the entrepreneurs, 70% were general EDP trainees, 4.5% Engineering and 25.4% women EDP trainees.

7.22. Duration of EDP

- Majority respondents (45.93%) attended one months EDP, followed by 6 weeks (14.81%) and 3 months EDP (10.37%)
- Among the entrepreneurs, majority (52.2%) attended one months EDP.

7.23. Source of information and who suggested to undergo EDP

- 74.81% of trainees came to know about EDP from news papers, 14.07% got information from friends and 8.89% from DIC.
- Programme publicity through Radio was not at all effective.
- Newspaper is found to be an effective source of information.
- Training institutions were not providing much information about EDP.
- 73.30% of the respondents undergone EDP training on their own decision, 11.11% were suggested by friends, 8.89% by DIC officials, 3.70% by bank officials.

7.24. Reasons for joining EDP

- 34.3% of the entrepreneurs joined for EDP to learn to start the business, 31.3% for improving entrepreneurial competencies.

- Only 9% of non-entrepreneurs opted for improving entrepreneurial competencies.
- 22.1% non-entrepreneurs joined for EDP only because they were unemployed compared to 10.4% entrepreneurs.
- The motives of trainees for joining EDPs had to be thoroughly assessed before their selection.

7.25. Training Methodology

- Classroom lecture was mainly used and found to be effective method for EDP training.
- Group discussions, Audio-visual aids, individual counselling and case studies were not used by many training institutions.
- Industrial visits, market survey and interaction with successful entrepreneurs were found to be some what useful.

7.26. Contents of EDP Syllabus

- Practical experience of conducting Market Survey, sessions on procedure of starting the business, Marketing Management and Entrepreneurial qualities were found to be highly useful.
- Sessions on product idea formulation, project report preparation, industrial visit, interaction with successful

entrepreneurs and Achievement motivation were not much useful.

7.27. Usefulness of EDP

- EDP trained entrepreneurs were asked to mark the usefulness of EDP in starting and running the unit.
- Five point scale was used to collect the information and summated score values calculated.
- The highest score was given to self confidence.
- The EDP helped them in getting information about incentives, subsidies and sales tax exemption opportunity guidance, preparation of project report, Marketing strategies, permanent registration and Assessment of working capital.
- Summated Score Value showed that 61.20% considers EDP as effective while 38.81% considers it as less effective.

7.28. Influence of EDP in starting the business

- Out of 57 entrepreneurs who started units after EDP, 40.35% strongly believe that EDP had influenced them very much and 45.61% felt that EDP had influenced much in starting the unit. However, 10.53% opined that EDP had not much influenced

them while 3.51% argued that EDP had not at all influenced them in launching the unit.

- When analysed on the basis of educational qualification, Out of 12 entrepreneurs studied upto SSLC, 75% Out of 29 graduates, 93.10% and out of 15 technical entrepreneurs, 86.67% admitted that EDP had influenced them in starting unit.
- On the basis of duration of EDP found that majority who responded that EDP had influenced them in starting unit, were those who attended one month EDP.

7.29. Gestation period

- Time taken for starting units after undergoing EDP training for majority of the trained entrepreneurs was less than 1 year (73.68%).
- Only 7.02% respondents took more than 2 years for starting unit. 92.98% of the respondents could start unit within 2 years of EDP training.
- Out of 42 entrepreneurs who took less than one year after attending EDP, 16.67% were educated upto SSLC, 59.52% were graduates and 23.81% were technical entrepreneurs.
- This shows that formal education helps the entrepreneurs in completing the promotional activities comparatively quickly.

- Those who participated in one months EDP took less time for starting the unit.

7.30. Need for further training

- Out of 67 entrepreneurs, 43.28% felt the need for further training once in a year, 34.33% once in 2 years and 8.96% once in 3 years.

- Only 13.43% responded negatively that further training is not at all required. This shows the positive attitude of entrepreneurs towards EDP.

7.31. Present Status of non-entrepreneurs

- Out of 68 non entrepreneurs, 26.47% are employed, 38.24% doing business/trade, 16.18% are unemployed, 19.12% are engaged in other activities.

7.32. Reasons for not starting unit

- 26.47% got employment, 36.77% took some steps for venture launching, but blocked in the process, 36.77% did not want to start unit due to risk aversion.

- 60% of trainees, who tooK some steps for starting business, had to face the difficulty of taking loan and giving sufficient

security for loan. 28% found getting licenses difficult, and 12% experienced the difficulties relating to infrastructure.

7.33. EDP benefits to non-entrepreneurs

- 18 respondents who are employed felt benefited from EDPs as they felt EDPs added to their knowledge of functioning of small enterprises and enhanced their confidence level, which helped them in performing their jobs more effectively. Some of those in jobs admitted that they could give counselling to others and help them in project report preparation.

- Those who were not in jobs stated that their confidence level has been increased, 3 of them are assisting the family business with the knowledge they gained from EDP, and 4 of them stated that EDP did not help them. 2 of them are still motivated to start unit.

- Out of 26 respondents who are engaged in business/trade, 20 admitted that EDP helped them to perform the present activities efficiently. 18 respondents stated that the knowledge of functioning of small enterprises helped them in their business. 4 of them are still motivated to start units and all of them believed that their confidence level is increased. 10 of them helped their friends in launching units.

- All those who were engaged in other activities admitted that they gained self confidence from EDP which helped them to maintain good contacts with people. Knowledge of small enterprise functioning was another benefit they got from EDP. 3 of them are still motivated to start units and they helped others to become self employed.

7.34. Follow up

Follow up activities consisted of follow up meetings, Follow up correspondence, visit by trainers & problem solving through committees. It was found that Follow up meeting were conducted by training organizations, only very few of the trainees replied to letters and attended meetings. Follow up activities were not undertaken regularly and therefore they were not effective.

7.35. Comparative performance of trained and untrained Entrepreneurs

- EDP trained entrepreneurs were compared with a matching group of untrained entrepreneurs.

- Among the sample 134 entrepreneurs 69.40% were males and 30.60% were females Chi-square test showed that there is significant variation between the two groups.

- Out of 134 entrepreneurs majority (44.03%) started their units in Rural area and 33.58% are running their unit inside the town.

- Out of 67 trained entrepreneurs, 50.7% were from forward community & 49.3% belonged to backward community. Among the 67 untrained entrepreneurs, 65.7% were from forward community and 43.3% were from backward community. Chi-square value was less than Table value (Chi-square = 0.480 df. 1) shows that there was no significant variation.

- Out of 134 entrepreneurs 81.34% were married and 18.66% were unmarried. Difference was insignificant as chi-square value is less than table value (Chi-square = 0.443 df. = 1).

- Among 134 entrepreneurs, majority (55.97%) belonged to the age group of 30-40, 31.34% were in the age group of 40-50 and least (12.69%) were in the age group of less than 30. There was no significant difference as the chi-square value is less than Table values (Chi-square = 3.568, df = 3). Among the sample entrepreneurs, Hindus constituted the maximum (55.197%), Christians came second (25.37%) followed by Muslims (18.55%).

7.36. Educational qualification

- Out of 134 sample entrepreneurs, 53.74% were graduates, 23.13% were educated upto SSLC and 23.13% were technically qualified.

7.37. Family background

- Out of 67 entrepreneurs 47.76% were from business or individual background compared to 32.84% trained entrepreneurs. EDPs were not popular among those who had industrial/ business background.

7.38. Family Structure

- Among 134 entrepreneurs 63.43% were from Nuclear family and 36.57% belonged to joint family. There was no significant variation between the trained and untrained group.

7.39. Age at the commencement of the unit

- Majority of the trained entrepreneurs started their unit at the age group of below 30 (47.8%) while untrained entrepreneurs in this age group came to (43.3%). Among the untrained entrepreneurs majority (46.3%) fell in the age group of 30-40.

- Among the 67 untrained entrepreneurs, majority (32.8%) were employed in industry, 28.4% had no job, 14.9% were running own unit, 13.4% were studying and 10.4% were engaged in Business/Trade.

7.40. Year of establishment and Number of units started

- Out of the 67 sample unit started by trained entrepreneurs 27 (40.30%) were in the year 1996 and 16 (23.88%) units were started in 1997. 24 units (35.82%) started by untrained entrepreneurs were in 1996 and 14 units (20.90%) were started in 1997.
- Out of 5 years under study, (1994-1998), maximum units were started by both trained and untrained entrepreneurs in 1996 followed by 1997.

7.41. Nature of Business

- Among 134 entrepreneurs, 73.13% were engaged in Manufacturing and Marketing, 16.42% were in Service sector and 10.45% were doing job works.
- In service sector, the number of trained entrepreneurs were more (20.89%) than untrained entrepreneurs (11.94%) which showed that EDP had been effective in service sector.

7.42. Type of organization

- Among the trained entrepreneurs majority (83.6%) started units as sole proprietorship, 7.5% as partnership, 6% as Pvt. Co's. & 3% as co-operative societies.

- Among the untrained entrepreneurs, 71.6% units were proprietory concerns, 23.9% were partnerships, 3% were pvt co's % .5% co-operative societies.

7.43. Number of persons

- Number of persons employed by majority of trained entrepreneurs (50.7%) were less than 5 while that of untrained entrepreneurs in this group was 25.4%.

- Number of persons employed by majority of untrained entrepreneurs (34.3%) were in the group of 5-10.

7.44. Initial investment in plant & Machinery

- Initial investment in plant & Machinery of majority of both trained (71.6%) & untrained entrepreneurs (58.2%) were less than Rs.5 lakhs.

7.45. Average annual turnover

- Average Annual Turnover during the past 3 years of majority of trained (50.7%) and untrained entrepreneurs (43.3%) were less than Rs.5 lakhs.

7.46. Motivational factors

- One of the main motivational factors to start the present unit was profit motive – Trained (88.06%) and untrained (77.61%)
- Prior industrial/business experience prompted 34.33% trained and 53.73% untrained entrepreneurs.
- Trained entrepreneurs (37.31%) considered help from promotional agencies as significant while only 6% untrained entrepreneurs were inspired by this factor.
- Business interest/to be independent was a strong motivating factor for 73.13% trained and 44.78% untrained entrepreneurs.

7.47. Techno-Economic survey

- Among the trained entrepreneurs, 67.2% conducted market survey while only 44.8% untrained entrepreneurs conducted survey.
- 32.8% trained and 55.2% untrained entrepreneurs did not conduct any survey.

7.48. Reasons of untrained entrepreneurs for not attending EDP

- 50.75% were not aware of this training programme, 9% did not find time, for 3% duration was not convenient, 26.87% felt that

this training was not necessary and 10.45% stated that the course was not relevant.

- This showed ineffective awareness progrmmes in this field.

7.49. Problems in starting and conducting business

- Major problems noted by entrepreneurs in starting and conducting business were Availability of Raw material, labour & infrastructure (Trained – 22.40% % untrained 31.34%), Registration (Trained 25.37% & untrained 37.31%), contact with officials (Trained 38.81% & untrained 52.24%), Assessment of working capital (Trained 34.33% & untrained 35.82%), Financial Management (Trained 35.82% & untrained 16.42%) and Government policies (Trained 23.88% & untrained 31.34%).

7.50. Problems of EDPs

- Main problems noted by EDP trainees were language problem not getting the chance to visit the type of industry which they intend to start, no encouragement to EDP trainees, lack of practical sessions etc.

7.51. Problems of Small entrepreneurs

- Financial problems consisted of shortage of working capital (Trained 49.2% & untrained 38.8%), of fixed capital (Trained 22.5% & untrained 25.4%), and High rates of interest on loans (Trained 40.3% trained & 43.3% untrained).

- Major Marketing problems were competition from small firms (trained 34.3% & untrained 32.8%), competition from large firms (Trained 42.6% & untrained 53.8%) and lack of capacity to offer credit (Trained 11.9% & untrained 34.3%)

- Raw material scarcity was more experienced by untrained entrepreneurs (29.53%) compared to trained entrepreneurs (16.4%). This showed that EDP training helped entrepreneurs to know from where to get raw materials, whom to contact etc.

- Scarcity, uncertainty and high cost of electricity were the common problems recorded by entrepreneurs.

- In the field of labour, lack of training of workers, labour turnover and absenteeism were the common problems.

7.52. Suggestions

Based on this study the following suggestions are put forward for consideration of Training Institutions, EDP sponsoring agencies, Government & Academicians.

- Organisations should develop tools for identification of persons with latent entrepreneurial traits, so that right type of persons can be trained and developed.
- Scientific selection procedure should be adopted to avoid dropouts.
- Field visits may be conducted in small batches so as to make them more educative and visits should be arranged to the type of industries which trainees want to start.
- Follow up methods should be improved.
- Awareness programmes should be made more popular and informative.
- Standardisation of programme inputs duration and training methodology are required to be done so as to avoid variation in programmes.
- Instructional materials may be provided to participants which could be used in future.
- Government should take initiative for the formation of "Entrepreneurship Development Clubs" in Educational

Institutions to inculcate entrepreneurial culture among younger generation.

- Government should encourage the formation of "Entrepreneurship Development Cells" in banks and other financial institutions to identify and help the entrepreneurs.
- Interaction with EDP trained and successful entrepreneurs should be conducted .
- Financial Institutions should encourage EDP trained small entrepreneurs by giving preference while granting loans.
- Communications with Government is getting delayed. So Government procedures are to be speeded up.
- Government should form a central marketing agency to help EDP trained entrepreneurs to market their products especially women entrepreneurs as they are facing difficulties in collection of debts.
- Risk taking entrepreneurs are subject to lots of stress. Therefore sessions on stress management may be included in EDP syllabus.

For effective entrepreneurship education, the desirable approach will be to integrate the efforts to inculcate the entrepreneurial values and attitudes, arousal of entrepreneurial motivation and develop entrepreneurial competencies. In order to achieve this, it may be necessary to catch them young at school stage by introducing entrepreneurial activity package (entrepreneurship curriculum) in the education system.

A STUDY ON THE EFFECTIVENESS OF ENTREPRENEURIAL DEVELOPMENT PROGRAMMES FOR THE DEVELOPMENT OF SMALL SCALE INDUSTRIES IN KERALA

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BY
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A STUDY ON THE EFFECTIVENESS OF ENTREPRENEURIAL DEVELOPMENT PROGRAMMES FOR THE DEVELOPMENT OF SMALL SCALE INDUSTRIES IN KERALA

THESIS
SUBMITTED TO THE UNIVERSITY OF CALICUT FOR THE AWARD OF THE DEGREE OF DOCTOR OF PHILOSOPHY IN COMMERCE

BY
PREMA. D.R.

UNDER THE SUPERVISION OF
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DEPARTMENT OF COMMERCE & MANAGEMENT STUDIES
UNIVERSITY OF CALICUT
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ANNEXURES

QUESTIONNAIRE FOR INSTITUTIONS PROVIDING E.D.P.

1. Name of the Institution: .....

   .....

2. Main objective and other activities: .....

   .....

   .....

3. Year of starting EDP: .....

4.1 Number of EDPs conducted from March '94-March '99 : .....

4.2 Average intake for each programme:

10-15	[ ]	20-25	[ ]	30-35	[ ]
15-20	[ ]	25-30	[ ]	35-40	[ ]

5.1 Average duration of the programme:

8 weeks	[ ]	4 weeks	[ ]	2 weeks	[ ]
6 weeks	[ ]	3 weeks	[ ]	1 week	[ ]

5.2. What is your opinion about the duration of the programme?

Very much adequate	Adequate	Inadequate	Very much inadequate
[ ]	[ ]	[ ]	[ ]

6. How much fees you are charging from the participants?

No fees	[ ]	400-600	[ ]	Above 1000	[ ]
Upto 200	[ ]	600-800	[ ]		
200-400	[ ]	800-1000	[ ]		

7. What are the pre-training promotional activities?

- Programme announcement in Local News Papers [ ]
- Identification of Faculty for EDPs [ ]
- Visits by Programme co-ordinator to Various Supporting Organisations [ ]
- Programme Publicity through Supporting Organisations [ ]
- Radio announcements [ ]
- Preparation of instructional material [ ]
- Anyother (please specify) .....

8. Expenditure incurred on EDPs.

Less than Rs.20,000	[ ]	Rs.60,000 – Rs.80,000	[ ]
Rs.20,000 – Rs.40,000	[ ]	Rs.80,000 – Rs.1,00,000	[ ]
Rs.40,000 – Rs.60,000	[ ]	More than Rs.1,00,00	[ ]

9.1 Selection procedure of participants – mark the preferential weightage. Please distribute 20 points.

Business background	[ ]
Qualification	[ ]
Aptitude/Business Interest	[ ]
Project idea	[ ]

9.2 What is the proportion of Existing and Potential entrepreneurs at the time of selection?

Existing	[ ]
Potential	[ ]
No proportion	[ ]

10. Is EDP conducted in association with any other Agency/Government? Please specify .....

11.1. Constitution of Faculties – Please give the percentage

Academicians	[ ]
Professional/Technical Faculties	[ ]
Government Officials	[ ]

11.2 Ratio of inputs provided by own faculty and outside faculty.

Own Faculty	[ ]
Outside Faculty	[ ]

12. Contents of the Syllabus – Indicate the inputs which you consider most important in EDP in the order of preference – kindly distribute 100 point.

1.	Achievement – Motivation Training/ Entrepreneurial Motivation Training	[ ]
2.	Project Identification	[ ]
3.	Production Management	[ ]
4.	Project Report Preparation	[ ]
5.	Exposure to support system	[ ]
6.	Market survey and market study	[ ]
7.	Industrial visits	[ ]

8. Labour Laws [ ]
9. Marketing and Sales Promotion [ ]
10. Interaction with successful Entrepreneurs [ ]
11. Financial and Working capital Management
12. General awareness about planning, establishing and managing SSI [ ]
13. Any other (please specify) .....

13.1. Teaching Methodology used) (Mark the hours allotted for each)

Classroom	[ ]	Industry visit	[ ]
Practicals	[ ]	Market survey	[ ]

13.2. How many days are allotted for Industry Visit?

3 days / 2 days / 1 day / No visit
[ ] [ ] [ ] [ ]

14.1. Which are the different target groups for which EDP is provided?

General	[ ]	Ex-Servicemen	[ ]
Women	[ ]	Physically handicapped	[ ]
SC/ST	[ ]	Engineers/Technical	[ ]

Any other (please specify) .....

14.2. Is the syllabus the same for all categories of target groups?

Always / Frequently / Occasionally / Rarely / Never
[ ] [ ] [ ] [ ] [ ]

15.1. Place where EDP is conducted

Inside the Institution [ ]
Outside the Institution [ ]
Both [ ]

15.2. Preference given to places/areas when EDP is conducted outside the Institution – State the percentage.

Urban [ ]
Rural [ ]
Industrially backward [ ]

16. How often do you help them in preparing Project Report?

Always / Frequently / Occasionally / Rarely / Never
[ ] [ ] [ ] [ ] [ ]

17.1. How often do you conduct Entrepreneurship Awareness Programmes?

Always / Frequently / Occasionally / Rarely / Never
[ ] [ ] [ ] [ ] [ ]

17.2. State the percentage of participants, attending EDP, have undergone EAP?

Below 5	[ ]	15-20	[ ]
5-10	[ ]	20-25	[ ]
10-15	[ ]	25-30	[ ]

18. What are the problems faced relating to (please Rank them)

		Great 5	High 4	Medium 3	Average 2	Low 1	Nil 0
1.	Availability of interested participants	☐	☐	☐	☐	☐	☐
2.	Availability of Guest Faculty	☐	☐	☐	☐	☐	☐
3.	Finance for conducting EDPs	☐	☐	☐	☐	☐	☐
4.	Assistance by support systems	☐	☐	☐	☐	☐	☐
5.	Post-Training Follow-up	☐	☐	☐	☐	☐	☐
6.	Performance of Participants	☐	☐	☐	☐	☐	☐
7.	Infrastructure for Training	☐	☐	☐	☐	☐	☐
8.	Heterogeneous background of Trainees	☐	☐	☐	☐	☐	☐
9.	Low level of entrepreneurial awareness	☐	☐	☐	☐	☐	☐
10.	Industrial visits	☐	☐	☐	☐	☐	☐
11.	Market survey	☐	☐	☐	☐	☐	☐
12.	Any other (please specify)	☐	☐	☐	☐	☐	☐

19. How often do you collect feedback from the participants at the close of the programme?

Always / Frequently / Occasionally / Rarely / Never
[ ] [ ] [ ] [ ] [ ]

20. How often the follow-up activities are undertaken?

1. Follow-up meetings

Always / Frequently / Occasionally / Rarely / Never
[ ] [ ] [ ] [ ] [ ]

2. Follow-up correspondence

Always / Frequently / Occasionally / Rarely / Never
[ ] [ ] [ ] [ ] [ ]

3. Follow-up visits by Trainers

Always / Frequently / Occasionally / Rarely / Never
[ ] [ ] [ ] [ ] [ ]

4. Post-Training counseling services to Trainees

Always / Frequently / Occasionally / Rarely / Never
[ ] [ ] [ ] [ ] [ ]

5. Problem-solving through committees

Always / Frequently / Occasionally / Rarely / Never
[ ] [ ] [ ] [ ] [ ]

21. Do they approach you later for any other help?

Always / Frequently / Occasionally / Rarely / Never
[ ] [ ] [ ] [ ] [ ]

22. Will they inform you when they start the business?

Always / Frequently / Occasionally / Rarely / Never
[ ] [ ] [ ] [ ] [ ]

23. In your opinion, how many percentage of EDP participants are starting their own business within one year/2 years of Training?

Always / Frequently / Occasionally / Rarely / Never
[ ] [ ] [ ] [ ] [ ]

23. In your opinion, how many percentage of EDP participants are starting their own business within one year/2 years of Training?

Below 10%	[ ]	30-40	[ ]
01-20	[ ]	40-50	[ ]
20-30	[ ]	Above 50%	[ ]

24. How much help you provide to EDP beneficiaries in setting up/Running their own enterprise? Kindly Rank them.

		Low 1	2	3	4	High 5
1.	Opportunity guidance	☐	☐	☐	☐	☐
2.	Preparation of project report	☐	☐	☐	☐	☐
3.	Infrastructural Requirements	☐	☐	☐	☐	☐
4.	Local body License	☐	☐	☐	☐	☐
5.	Laison with Government agencies & financial Institutions for speedy implementation of projects	☐	☐	☐	☐	☐
6.	Assessment of working capital	☐	☐	☐	☐	☐
7.	Marketing strategies	☐	☐	☐	☐	☐
8.	Arrangement of Finance	☐	☐	☐	☐	☐
9.	Information about incentives, subsidies, Sales Tax exemption etc. to entrepreneurs	☐	☐	☐	☐	☐
10.	Procurement of Raw material, Machinery etc.	☐	☐	☐	☐	☐
11.	Provisional Registration	☐	☐	☐	☐	☐
12.	Permanent Registration	☐	☐	☐	☐	☐
13.	Price Fixation	☐	☐	☐	☐	☐
14.	Cost Reduction	☐	☐	☐	☐	☐
15.	Uses of Byproducts	☐	☐	☐	☐	☐
16.	Self-confidence	☐	☐	☐	☐	☐

25. How much help you provide to existing entrepreneurs? Kindly Rank them.

		Low 1	2	3	4	High 5
-	Guidance in areas of modernization, expansion and diversification	☐	☐	☐	☐	☐
-	Help in identifying problems of the unit and recommending corrective measures	☐	☐	☐	☐	☐
-	Management, Marketing technical and financial consultancy services	☐	☐	☐	☐	☐
-	Financial Assistance	☐	☐	☐	☐	☐

QUESTIONNAIRE FOR EDP TRAINED ENTREPRENEURS

I.

1. Name: .....

2. Name and Address of the Unit .....

   .....

3. Locality of the unit : Taluk : .....

   Town : .....

   District : .....

4. Name of the product : .....

5. Location of the unit : Inside the Town ☐

   Industrial Estate ☐

   Industrial Area ☐

   Rural Area ☐

6. Sex: Male ☐ Female ☐

7. Status at the time of joining EDP: Existing ☐ Potential ☐

8. Religion: .....

9. Caste: Forward ☐ Backward ☐

10. Marital Status: Single ☐ Married ☐

11. Age:

    Below 30 ☐ 40-50 ☐

    30-40 ☐ 50 and above ☐

12. Educational Qualification

    Below ☐ Degree ☐

    SSLC ☐ Above Degree ☐

    PDC ☐ Technical/Professional ☐

13. Parental Occupation:

    Agriculture ☐ Service ☐

    Business ☐ Govt. job ☐

    Industrial ☐ Other (please specify) .....

14. Family structure: Joint ☐ Nuclear ☐

15. Age at the commencement of the unit:

16. Mode of entry into industry:
- Inheritance ☐
- Purchase ☐
- Founding of New Unit ☐

17. Your occupation before establishing this unit:
- Studying ☐
- Employed in industry ☐
- Business/Trade ☐
- No job ☐
- Running own unit ☐

II.

1. Year of Establishment: .....

2. Type of Organisation:
- Sole proprietorship ☐
- Partnership ☐
- Private company ☐
- Co-operative Society ☐

3. Nature of Business:
- Manufacturing ☐
- Marketing ☐
- Service ☐
- Manufacturing & marketing ☐
- Any other (please specify) ☐

4. Number of persons employed
- Below 5 ☐
- 5-10 ☐
- 10-20 ☐
- 20-30 ☐
- 30-40 ☐
- 40-55 ☐
- Above 50 ☐

5. Initial investment in Plant and Machinery
- Less than Rs.5 lakhs ☐
- Rs.5 lakhs – Rs.10 lakhs ☐
- Rs.10 lakhs – Rs.20 lakhs ☐
- Rs.10 lakhs – Rs.30 lakhs ☐
- Rs.30 lakhs to Rs.50 lakhs ☐
- Rs.50 lakhs – Rs. 75 lakhs ☐
- Rs.75 lakhs – Rs.100 lakhs ☐

6. Average Annual turnover during the past 5 years:

Below Rs.5 lakhs	☐	Rs.30 lakhs – Rs.40 lakhs	☐
Rs.5 lakhs – Rs.10 lakhs	☐	Rs.40 lakhs – Rs.50 lakhs	☐
Rs.10 lakhs – Rs.20 lakhs	☐	Above Rs.50 lakhs	☐

7. The factors which motivated you to establish this industry.
Please distribute 100 point.

		eg.
Acquired skill	[ ]	[25]
Profit motive	[ ]	[20]
Prior industrial/Business experience	[ ]	[40]
Help from Promotional Agencies	[ ]	[05]
Availability of Rawmaterial	[ ]	[ ]
Labour & Infrastructural Facilities	[ ]	[10]
Continuation of family business	[ ]	[00]
Others (please specify)		.....
	------	------
Total	[100]	[100]

8. Have you conducted any Techno-economic or Market Survey before establishing the unit?

Yes ☐ No ☐

If yes, who suggested?

Your own initiative ☐ Promotional agencies ☐

9. Which area you difficulty in the process of starting and conducting this business? Kindly give 100 point according to its intensity.

- Project Identification [ ]
- Availability of Raw material, Labour and Infrastructural facilities [ ]
- Procedure of Registration [ ]
- Project Report Preparation [ ]
- Technical / Managerial [ ]
- Contact with officials [ ]
- Assessment of working capital [ ]
- Labour Management [ ]
- Financial Decision making [ ]
- Policies of the Government [ ]
- Others (please specify) ..... -----

Total 100

III.

1. Had you undergone Entrepreneurial Development Programme (EDP) before / after establishing this business?

   Yes ☐ No ☐

2. If Yes, what was the duration of the Programme?

   3 months ☐ 6 weeks ☐
   2 months ☐ 2 weeks ☐
   1 month ☐ 1 week ☐

3. The Institution where you undergone EDP?

   DIC ☐ CMD ☐
   STED ☐ SISI ☐
   REC ☐ KITCO ☐

4. What was the nature of EDP – specify the sector

   General ☐ Engineering ☐
   Ex-servicemen ☐ Women ☐
   SC/ST ☐ Others (please specify) .....

5. What were the various methods used for Training (Please distribute 100 point in the order of usefulness/effectiveness according to you)

Classroom Lecture	[ ]
Group Discussion	[ ]
Audio-Visual aids	[ ]
Individual counseling	[ ]
Industry visit	[ ]
Market survey	[ ]
Case studies	[ ]
Interaction with successful entrepreneurs	[ ]

Total	100

6. What influenced you to undergo EDP?

   Unemployment ☐ Learn to start the business ☐
   Loan facility ☐ improve entrepreneurial
   Special Training ☐ competencies ☐
   Improve managerial skill ☐

7. Who suggested you to undergo EDP?

Own decision	☐	DIC officials	☐
Friends	☐	Bank officials	☐

Any other (please specify) .....

8. From where you came to know about EDP?

Newspapers	☐	DIC	☐
Radio	☐	Friends	☐
Training Institution	☐	Other (please specify)	

9. Whether this training had influenced you in starting this business?

Very much ☐ Much ☐ Not much ☐ Not at all ☐

10. What was the time gap between getting the graining and starting the business?

Less than 1 year	☐	2 year – 3 years	☐
1 year – 2 years	☐	More than 3 years	☐

11. How often do you feel, further training is necessary?

Once in a year	☐	Once in 3 years	☐
Once in 2 years	☐	Not at all	☐

12. What are the short comings that you have noticed for the EDP that you have attended? Kindly distribute 100 point.

About the Institution	[ ]
About EDP syllabus	[ ]
About Faculties	[ ]
About Industrial visit	[ ]
About Training Methodology	[ ]
About Follow-up activities	[ ]
Any other (please specify)	

	100

13. In your view, which area in the EDP syllabus should be given more emphasis? Kindly give 100 point in the order of importance.

Achievement Motivation	[ ]	Product idea formulation	[ ]
Entrepreneurial qualities	[ ]	Procedure of starting the business	[ ]
Project Report preparation	[ ]	Technical Assistance	[ ]
Financial Management	[ ]	Interaction with successful	[ ]
Marketing Management	[ ]	entrepreneurs	
		Industrial visit	[ ]
		Any other	[ ]

			100

14. How far the EDP helped you in starting / running the business? Kindly Rank them.

		Low 1	2	3	4	High 5
1.	Opportunity guidance	☐	☐	☐	☐	☐
2.	Preparation of Project Report	☐	☐	☐	☐	☐
3.	Infrastructural Requirements	☐	☐	☐	☐	☐
4.	Local body Licence	☐	☐	☐	☐	☐
5.	Laison with Government Agencies and financial institution For speedy implementation of project	☐	☐	☐	☐	☐
6.	Assessment of working capital	☐	☐	☐	☐	☐
7.	Marketing Strategies	☐	☐	☐	☐	☐
8.	Arrangement of Finance	☐	☐	☐	☐	☐
9.	Information about Incentives, subsidies, sales tax exemption etc. to entrepreneurs	☐	☐	☐	☐	☐
10.	Procurement of Raw material, Machinery, etc.	☐	☐	☐	☐	☐
11.	Provisional Registration	☐	☐	☐	☐	☐
12.	Permanent Registration	☐	☐	☐	☐	☐
13.	Price Fixation	☐	☐	☐	☐	☐
14.	Cost Reduction	☐	☐	☐	☐	☐
15.	Use of By products	☐	☐	☐	☐	☐
16.	Self-confidence	☐	☐	☐	☐	☐

15. How much do you benefit from Follow-up activities of training institutions. Please distribute 20 points.

Follow-up meeting	[ ]
Follow-up counseling	[ ]
Visit by trainers	[ ]
Problem solving through committees	[ ]

	20

16. State you degree of agreement/disagreement to the following statements:

1. I started the same industry which I proposed while attending training.

Strongly Agree / Agree / Uncertain / Disagree / Strongly Disagree

☐ ☐ ☐ ☐ ☐

2. I changed the industry which I proposed, after the training.
   Strongly Agree / Agree / Uncertain / Disagree / Strongly Disagree
   ☐ ☐ ☐ ☐ ☐
3. I suggest/recommend this training to new entrepreneurs.
   Strongly Agree / Agree / Uncertain / Disagree / Strongly Disagree
   ☐ ☐ ☐ ☐ ☐
4. I have benefited from the training.
   Strongly Agree / Agree / Uncertain / Disagree / Strongly Disagree
   ☐ ☐ ☐ ☐ ☐
5. Duration of the training programme is adequate
   Strongly Agree / Agree / Uncertain / Disagree / Strongly Disagree
   ☐ ☐ ☐ ☐ ☐
6. I feel I am competent for running the business
   Strongly Agree / Agree / Uncertain / Disagree / Strongly Disagree
   ☐ ☐ ☐ ☐ ☐

17. How often do you approach the Training Institution after EDP?
    Always / Occasionally / Rarely / Frequently / Never
    ☐ ☐ ☐ ☐ ☐

18. How often did you get help from the Training Institution when approached later?
    Always / Occasionally / Rarely / Frequently / Never
    ☐ ☐ ☐ ☐ ☐

IV.

1. What are the problems faced by you in each functional area. Kindly distribute 100 point for each.

1. Finance
   - Shortage of finance for working capital [ ]
   - Shortage of finance for fixed capital [ ]
   - High Rates of Interest [ ]
   - Meagre assistance from Govt. Agencies [ ]
   - Getting subsidy [ ]
   - Any other (please specify) ..... [ ]

   100

2. Marketing
   - Competition from other small units [ ]
   - Competition from Large units [ ]
   - Price control [ ]
   - Distribution control [ ]

- Lack of Govt. support [ ]
- Lack of marketing information [ ]
- Any other (please specify) [ ]

100

3. Raw material
   - Scarcity [ ]
   - High Price [ ]
   - Problem of Transport [ ]
   - Any other (please specify) [ ]

100

4. Power
   - Scarcity [ ]
   - Uncertainty [ ]
   - Problem of Highest [ ]
   - Any other (please specify) [ ]

100

5. Labour
   - Training [ ]
   - Union activities [ ]
   - Turnover [ ]
   - Absteeism [ ]
   - Any other (please specify) ..... [ ]

100

6. Suggestions for the removal of above problems

7. Future plan for the unit

QUESTIONNAIRE FOR EDP TRAINEES WHO ARE NOT RUNNING UNIT

1. Age
   - Below 30 ☐
   - 30-40 ☐
   - 40-50 ☐
   - 50 and above ☐

2. Marital Status: Single ☐ Married ☐

3. Sex: Male ☐ Female ☐

4. District:
   - Thrissur ☐
   - Calicut ☐
   - Malappuram ☐
   - Ernakulam ☐

5. Caste: Forward ☐ Backward ☐ SC/ST ☐

6. Educational Qualifications
   - Below SSLC ☐
   - SSLC ☐
   - PDC ☐
   - Degree ☐
   - Above Degree ☐
   - Technical/Professional ☐

7. Parental Occupation
   - Agriculture ☐
   - Business ☐
   - Industrial ☐
   - Service ☐
   - Govt. Job ☐
   - Others (please specify) .....

8. What were you dong before undergoing EDP?
   - Studying ☐
   - Employed in industry ☐
   - Business/Trade ☐
   - No job ☐
   - Running own unit ☐

9. The Institution where you attended EDP
   - DIC ☐
   - SISI ☐
   - CMD ☐
   - REC ☐
   - STED ☐
   - KITCO ☐

10. What was the nature of EDP?
    - General ☐
    - Ex-Servicemen ☐
    - SC/ST ☐
    - Engineering ☐
    - Women ☐
    - Others (please specify) .....

11. Duration of EDP you attended

3 months	☐	6 weeks	☐
2 months	☐	2 weeks	☐
1 month	☐	1 week	☐

12. What influenced you to undergo EDP?

Unemployment	☐	Learn to start the business	☐
Loan facility	☐	Improve entrepreneurial competencies	☐
Technical training	☐	Improve managerial skill	☐
Own Master	☐	Others (please specify)	

13. Who suggested you to undergo EDP?

Own Decision	☐	DIC officials	☐
Friends	☐	Bank officials	☐

Any other (please specify) .....

14. From where you came to known about EDP?

Newspapers	☐	DIC	☐
Radio	☐	Friends	☐
Training Institution	☐	Others (please specify)	

15. Which of the following area in the EDP Syllabus was useful to you?

(1) Achievement Motivation

Very much Useful / Useful / Somewhat Useful / Not much Useful / Not at all Useful

(2) Entrepreneurial Qualities

Very much Useful / Useful / Somewhat Useful / Not much Useful / Not at all Useful

(3) Product Idea Formulation

Very much Useful / Useful / Somewhat Useful / Not much Useful / Not at all Useful

(4) Project Report Preparation

Very much Useful / Useful / Somewhat Useful / Not much Useful / Not at all Useful

(5) Procedure of Starting the business

Very much Useful / Useful / Somewhat Useful / Not much Useful / Not at all Useful

(6) Financial Management

Very much Useful / Useful / Somewhat Useful / Not much Useful / Not at all Useful

(7) Marketing Management

Very much Useful / Useful / Somewhat Useful / Not much Useful / Not at all Useful

(8) Interaction with Successful Entrepreneur
Very much Useful / Useful / Somewhat Useful / Not much Useful / Not at all Useful

(9) Industrial Visit
Very much Useful / Useful / Somewhat Useful / Not much Useful / Not at all Useful

(10) Market Survey
Very much Useful / Useful / Somewhat Useful / Not much Useful / Not at all Useful

(11) Labour Laws
Very much Useful / Useful / Somewhat Useful / Not much Useful / Not at all Useful

(12) Local body Licenses, Power, Raw material, Machinery, etc.
Very much Useful / Useful / Somewhat Useful / Not much Useful / Not at all Useful

(13) Accountancy, Costing, Pricing, etc.
Very much Useful / Useful / Somewhat Useful / Not much Useful / Not at all Useful

16. State your degree of Agreement/Disagreement to the following statements:

(1) I have benefited from this Training
Strongly Agree / Agree / Uncertain / Disagree / Strongly Disagree

(2) During of the Training Programme is adequate
Strongly Agree / Agree / Uncertain / Disagree / Strongly Disagree

17. How often do you approach the Training Institution after EDP?
Always / Occasionally / Rarely / Frequently / Never

18. How often did you get help from the Training Institution when approached later?
Always / Occasionally / Rarely / Frequently / Never

19. Have you started a unit after EDP? Yes ☐ No ☐

20. If 'No', why?

Not interested ☐
Got employment ☐
Engaged in other activities ☐
Risk aversion ☐
Could not complete project report ☐
Discouraging attitude of the support system ☐
Administrative delay in loan sanctioning ☐

Non-availability of power/water connection ☐

Could not get Land/Building ☐

21. If 'Yes' stages completed before getting blocked/given up in the process of venture launching.

A. EDP Related

1. Product Identification ☐
2. Project Report Preparation ☐
3. Market Survey ☐

Any other (please specify) .....

B. Finance Related

1. Applied for Loan ☐
2. Formalities for Loan Disbursal ☐

Any other (please specify) .....

C. Government related

1. Applied for Registration ☐
2. Applied for Power/Water connection ☐
3. Applied for Licenses from various departments ☐

Any other (please specify) .....

D. Others

1. Construction of building started ☐
2. Order for Machinery placed ☐

22. Do you suggest/recommend this training to potential entrepreneurs?

Yes ☐ No ☐

23. If 'No' why?

1. Not much help in general ☐
2. No Practical Training ☐
3. No Encouragement by E.D. Institutions ☐
4. No Preference to EDP Trainees by Financial Institutions and Banks ☐
5. No Follow-up Activities ☐

24. If 'Yes' Reason for advising to join EDP, State your opinion about the usefulness/effectiveness of this Training – Kindly rate them.

		Low 1	2	3	4	High 5
1.	Gives Business Idea	☐	☐	☐	☐	☐
2.	Motivating	☐	☐	☐	☐	☐
3.	Helpful in Enterprise Management	☐	☐	☐	☐	☐
4.	Provides initial guidance for launching a business	☐	☐	☐	☐	☐
5.	Help in becoming self-employed	☐	☐	☐	☐	☐
6.	Help in selection of viable projects	☐	☐	☐	☐	☐
7.	Creates awareness in Legal formalities and Govt. procedures	☐	☐	☐	☐	☐
8.	Project Report Preparation	☐	☐	☐	☐	☐
9.	Contact with officials	☐	☐	☐	☐	☐
10.	Self-confidence	☐	☐	☐	☐	☐
11.	Information about incentives, subsidies, sales tax exemption etc.	☐	☐	☐	☐	☐
12.	Developing Entrepreneurial qualities	☐	☐	☐	☐	☐
13.	Gives good information on finance/business	☐	☐	☐	☐	☐
14.	Marketing Strategies	☐	☐	☐	☐	☐
15.	Follow-up meetings	☐	☐	☐	☐	☐
16.	Follow-up correspondences	☐	☐	☐	☐	☐

QUESTIONNAIRE FOR ENTREPRENEURS

I.

1. Name: .....

2. Name and Address of the Unit .....
.....

3. Locality of the unit : Taluk : .....
Town : .....
District : .....

4. Name of the product : .....

5. Location of the unit : Inside the Town ☐
Industrial Estate ☐
Industrial Area ☐
Rural Area ☐

6. Sex: Male ☐ Female ☐

7. Religion : .....

8. Caste: Forward ☐ Backward ☐

9. Marital Status Single ☐ Married ☐

10. Age :
Below 30 ☐ 40-50 ☐
30-40 ☐ 50 and above ☐

11. Educational Qualification :
Below SSLC ☐ Degree ☐
SSLC ☐ Above Degree ☐
PDC ☐ Technical/Professional ☐

12. Parental Occupation
Agriculture ☐ Service ☐
Business ☐ Govt. job ☐
Industrial ☐ Other (please specify) .....

13. Family structure : Joint ☐ Nuclear ☐

14. Age at the commencement of the unit

15. Mode of entry into industry Inheritance ☐
Purchase ☐
Founding of New Unit ☐

16. Your occupation before establishing this unit

Studying	☐	No job	☐
Employed in industry	☐	Running	☐
Business / Trade	☐		

II.

1. Year of Establishment : .....

2. Type of Organisation:

Sole proprietorship	☐	Private Company	☐
Partnership	☐	Co-operative Society	☐

3. Nature of Business:

Manufacturing	☐	Manufacturing & marketing	☐
Marketing	☐	Any other (please specify).....	
Service	☐		

4. Number of person employed

Below 5	☐	30-40	☐
5 – 10	☐	40 – 50	☐
10 –20	☐	Above 50	☐
20 – 30	☐		

5. Initial investment in Plant and Machinery

Less than Rs.5 lakhs	☐	Rs.30 lakhs – Rs.50 lakhs	☐
Rs.5 lakhs - Rs.10 lakhs	☐	Rs.50 lakhs – Rs.75 lakhs	☐
Rs.10 lakhs Rs.20 lakhs	☐	Rs.75 lakhs – Rs.100 lakhs	☐
Rs.20 lakhs – Rs.30 lakhs	☐		

6. Average Annual Turnover during the past 5 years:

Below Rs.5 lakhs	☐	Rs.30 lakhs – Rs.40 lakhs	☐
Rs.5lakhs – Rs.10 lakhs	☐	Rs.40 lakhs – Rs.50 lakhs	☐
Rs.10lakhs – Rs.20 lakhs	☐	Above Rs.50 lakhs	☐
Rs.20 lakhs – Rs.30 lakhs	☐		

7. The factors which motivated you to establish this industry

Please distribute 100 point.		eg.
Acquired skill	[ ]	[25]
Profit motive	[ ]	[20]
Prior industrial/Business experience	[ ]	[40]
Help from Promotional Agencies	[ ]	[05]

Availability of Raw material	[ ]	[ ]
Labour & Infrastructural Facilities	[ ]	[10]
Continuation of family business	[ ]	[00]
Others (please specify)		.....

Total	100	100

8. Have you conducted any Techno-Economic or Market Survey before establishing the unit?

Yes ☐ No ☐

If yes, who suggested?

Your own initiative ☐ Promotional agencies ☐

9. Which area you found difficult in the process of starting and conducting this business? Kindly give 100 point according to its intensity.

- Project Identification [ ]
- Availability of Raw material, Labour and Infrastructural facilities [ ]
- Procedure of Registration [ ]
- Project Report Preparation [ ]
- Technical / Managerial [ ]
- Contact with officials [ ]
- Assessment of working capital [ ]
- Labour Management [ ]
- Financial Decision making [ ]
- Policies of the Government [ ]
- Others (please specify) ....

Total 100

III.

1. Had you undergone Entrepreneurial Development Programme (EDP) before / after establishing this business?

Yes ☐ No ☐

2. If No, reasons for not attending Training Programme

Not aware of it ☐ Did not find time ☐

duration not convenient ☐ Felt not necessary ☐

Course not relevant ☐

3. If got chance, the type of Training Programme desired

Technical ☐ General ☐

Both ☐ Did not know ☐

Training required ☐ Training not required ☐

IV.

1. What are the problems faced by you in each functional area. Kindly distribute 100 point for each.

1. Finance

- Shortage of finance for working capital	[ ]
- Shortage of finance for fixed capital	[ ]
- High Rates of Interest	[ ]
- Meagre assistance from Govt. Agencies	[ ]
- Getting subsidy	[ ]
- Any other (please specify)	[ ]

	100

2. Marketing

- Competition from other small units	[ ]
- Competition from Large units	[ ]
- Price control	[ ]
- Distribution control	[ ]
- Lack of Govt. support	[ ]
- Lack of marketing information	[ ]
- Any other (please specify)	---
	100

3. Raw material

- Scarcity	[ ]
- High Uncertainty	[ ]
- High cost	[ ]
- Any other (please specify)	[ ]

	100

4. Power

- Scarcity	[ ]
- Uncertainty	[ ]
- Problem of Highest	[ ]
- Any other (please specify)	[ ]

	100

5. Labour

- Training	[ ]
- Union activities	[ ]
- Turnover	[ ]
- Absteeism	[ ]
- Any other (please specify)	[ ]

	100

6. Suggestions for the removal of above problems

7. Future plan for the unit

NB H285

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THESIS
SUBMITTED TO THE UNIVERSITY OF CALICUT FOR THE AWARD OF THE DEGREE OF DOCTOR OF PHILOSOPHY IN COMMERCE

BY
PREMA. D.R.

UNDER THE SUPERVISION OF
Dr. K.B. PAVITHRAN

DEPARTMENT OF COMMERCE & MANAGEMENT STUDIES
UNIVERSITY OF CALICUT
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Dr. K.B. Pavithran
Professor

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Date 20.8.2003

CERTIFICATE

Certified that the thesis "**A STUDY ON THE EFFECTIVENESS OF ENTREPRENEURIAL DEVELOPMENT PROGRAMMES FOR THE DEVELOPMENT OF SMALL SCALE INDUSTRIES IN KERALA**" is the record of bonafide research work carried out by **PREMA D.R.** under my supervision and guidance and that neither this thesis nor any part of it has previously formed the basis for the award of any degree or diploma.

Dr. K.B. PAVITHRAN

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DECLARATION

I, **PREMA D.R.** do hereby declare that this thesis entitled "**A STUDY ON THE EFFECTIVENESS OF ENTREPRENEURIAL DEVELOPMENT PROGRAMMES FOR THE DEVELOPMENT OF SMALL SCALE INDUSTRIES IN KERALA**" submitted to the University of Calicut for the award of the Degree of Doctor of Philosophy in Commerce is a bonafide work done by me under the guidance of **Dr. K.B. PAVITHRAN** Professor, School of Management Studies, Cochin University of Science & Technology and that this has not been submitted earlier in part or in full to any other University for award of any degree or diploma.

D.R. Prema

PREMA. D.R.

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DEPARTMENT OF COMMERCE & MANAGEMENT STUDIES
UNIVERSITY OF CALICUT
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A STUDY ON THE EFFECTIVENESS OF ENTREPRENEURIAL DEVELOPMENT PROGRAMMES FOR THE DEVELOPMENT OF SMALL SCALE INDUSTRIES IN KERALA

THESIS
SUBMITTED TO THE UNIVERSITY OF CALICUT FOR THE AWARD OF THE DEGREE OF DOCTOR OF PHILOSOPHY IN COMMERCE

BY
PREMA. D.R.

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INTRODUCTION

CHAPTER - I

INTRODUCTION

The creation and operation of a small enterprise are perhaps not the easiest tasks for any entrepreneur who has put the mind and soul as also the savings if any, at stake in the hope of future prosperity. Small Scale Industries are by their very nature entrepreneur oriented. Entrepreneurs play a key role in the economic development of a country. The promotion of successful entrepreneurship is vital in the context of generating gainful employment, minimising the regional disparities and developing the economy. Entrepreneurship Development may be termed as the heart and mind of small scale entrepreneurship in India. It is essentially an educational process and an endeavour in human resource development. In a developing country like India, small business entrepreneurship plays a significant role in the economic development of the country. These industries by and large represent a stage in economic transition from traditional to modern technology. The survey and study on the growth of small scale industries revealed that there was faster development of engineering, chemicals, electronics and agro-based industries. Similarly, a large number of ancillary industries had been developed in the small and tiny sector. The entire success of this progress goes to the Entrepreneurial Development Programmes in India[1].

Till the early 60's, the Small Scale Industries Sector had been considered as an employment generating sector. It was during the late 60's that this sector began to be recognized as an instrument for tapping latent entrepreneurial potential. Small scale enterprise was a breeding ground for entrepreneurship. The rapid growth of small scale sector was mainly due to the entrepreneurship development. It was, therefore, in that context that an increasingly important role has been assigned for the identification and promotion of entrepreneurs to this sector. Realising the core importance of this sector, the Government of India has formulated industrial policies in favour of the entrepreneurs and been offering packages of incentives and extending financial assistance to them. Consequently a good number of financial institutions and the allied agencies have come into being to meet the needs of entrepreneurs.

There were many factors which generally affected the growth and functioning of entrepreneurship. These may include previous occupation, family background, caste, education, technical know-how, financial position, government help, personality traits of entrepreneurs etc. These factors not only go to make good or bad entrepreneur but ultimately affected the process of industrial development. Thus inorder to promote industrialization, it became necessary to develop congenial atmosphere and conditions which help to promote and nurture entrepreneurship.

The growth of entrepreneurship among the existing and prospective entrepreneurs has been widening the horizons of industrialization and economic development even in socially and industrially backward regions in India. Developing entrepreneurship has become a movement in India. It was cardinal and more crucial to industrial development than any other economic factor. It had got added relevance in a state like Kerala with its abundant infrastructural facilities, dire shortage of agricultural land and massive unemployment of educated youth. As Kerala claims the highest literacy rate and is educationally advanced, unemployment among the educated youth is a major issue disturbing the state[2]. It is a must that motivational training programmes are conducted to stimulate entrepreneurship in developing countries. Entrepreneurial Development Programmes (EDPs) are being offered by a large number of organizations with a view of bringing to the fore the latent entrepreneurial ability in various target groups and motivating the programme participants to establish their own enterprises.

EDP means a programme designed to help a person in strengthening his entrepreneurial motive and in acquiring skills and capabilities necessary for playing his entrepreneurial role effectively. Towards this end it is necessary to promote his

understanding of motives, motivation pattern, their impact on behaviour and entrepreneurial value. A programme which seeks to do this can qualify to be called an EDP[3]. Entrepreneurs cannot springout of nowhere but will have to be developed through proper training and on the job experience after selecting the persons with the right aptitude for such tasks[4].

The main objective of any entrepreneurship development activity is of course, to develop potential entrepreneurs, enabling and equipping them not only to establish their own new ventures but also to manage them successfully[5]. The first major systematic effort to identify and develop new entrepreneurs especially from non conventional community back grounds began in India in the State of Gujarat in 1970. Encouraged by the continued success of EDP activities in Gujarat, a number of Government and semi-Government agencies took up similar EDPs in their respective areas. EDPs should be predominantly oriented towards removal of local unemployment, alleviate local poverty, promotion of self-employment and entrepreneurship among women[6].

Since EDP is a process of developing entrepreneurs, the whole process should be evaluated to isolate the factors affecting success of the Programmes. By implication, each stage of an EDP, viz Pre-training, training and Post-training follow-up stage should

be evaluated concurrently. Such evaluation will indicate effectiveness of EDP process at every stage and help initiate corrective steps simultaneously. Though a few region-specific or organization specific studies have been carried out to evaluate these programmes, they were not exhaustive enough to pinpoint the effectiveness of the EDP strategy.

The basic characteristics of EDP as it has evolved so far are the following[8].

a) The training is result-oriented in the sense that the potential entrepreneur is expected to set up, after training and as a result of the training, his own enterprise- appropriate to his abilities and background.

b) Each EDP is treated as a laboratory experiment of learning how to conduct EDP better; without such an experimental approach it is not possible to evolve programmes suited to each target group in its specific context of location, culture, history and environment.

c) There is a firm commitment of its basic objectives by the financial institutions and industrial promotion agencies. This commitment expresses itself in providing professional support

to EDP- in permitting officials to take part in the training programmes and give advise, information and guidance without charging fees to potential entrepreneurs who are being trained.

1.1. Importance of the Study

The EDPs have been in operation in Kerala for the past few years and many prospective entrepreneurs were benefited from these programmes. In view of the growing importance to the small scale industries sector, it was time to make an empirical study on the effectiveness of EDPs on the development of this sector, so that the problems can be identified and improvements could be made in the light of experience. The present study was an attempt to evaluate the effectiveness of EDPs both qualitatively and quantitatively. So far studies in this area were not conducted in Kerala and in the light of this research gap, the present study will be useful to the training institutes, Government and policy makers as well.

1.2. Objectives

This study was conducted with the following objectives:-

1. To evaluate the effectiveness of EDPs in Kerala.
2. To assess the role of EDPs in self employment.

3. To conduct comparative analysis between EDP trained and untrained entrepreneurs.

4. To study the problems and difficulties encountering EDPs in Kerala and suggest measures for improvement.

1.3. Methodology

For the purpose of this study, Data were collected from both primary and secondary sources. Secondary sources included publications from the Training Institutions, plan documents of Government of India, various study reports of the State Planning Board and Department of Economics & Statistics, Government of Kerala, Directorate of Industries & Commerce, various journals in this field etc.

Primary data were collected through direct discussion and interviews. For collection of information from training institutions, a structured interview schedule was used. In addition to this, discussions were conducted with the various officials of training institutions, co-ordinators of EDPs, Management Trainers Managers and officials of DICs, Managers of Financial Institutions providing SSI loans and SSI branches of Commercial Banks, Industries Officers etc. For collecting primary data from three sample groups, separate questionnaires were employed. These

questionnaires were administered with multiple choice answers and the respondents were to tick an item close to his/her own opinion / belief. The questionnaires were first constructed in English only and then translated into Malayalam. The Malayalam version of the questionnaire was used because some of the small entrepreneurs knew only Malayalam.

Sample units included Job works, Manufacturing & Marketing and Service concerns as EDP was provided in all sectors. Sectorially units set up were divided into 3 categories according to the nature of business as manufacturing ie; undertaking only manufacturing and included job works in garment making, engineering, Aluminium Fabrication etc. The second group included units not only manufacturing products but also undertaking marketing of their products. Units in the service sector consisted of repairs, beauty parlours, screen printing etc.

1.4. Sampling Design

For the purpose of this study, a multi-stage systematic random sampling method was used for sample selection.

Ist Stage: Selection of Districts

Four districts were selected at random from the total of 14 districts in Kerala. The selected districts were Ernakulam, Thrissur, Malappuram and Kozhikode.

II Stage: Selection of Institutions

In Kerala 5 institutions have been providing EDP training in all districts and one institution has been imparting training in one place where trainees from all districts were selected. All the 6 institutions were selected for the study.

Over a period of 5 years, these 6 institutions together conducted 167 EDPs, attended by 4,316 participants. Average number of EDP participants over a period of 5 years is computed at 863. 20% of 863 is selected as sample which came to 173. Sample selected from all six institutions in the four selected districts using proportional random sampling method is shown in Table 1.1.

Table 1.1

Selection of Sample

Institution	Population	Sample	Actual	Not responded/Not cooperated
CMD	185	37	29	8
DIC	155	31	24	7
KITCO	244	49	38	11
REC	75	15	12	3
SISI	134	27	21	6
STED	70	14	11	3
Total	863	173	135	38

Thus the actual samples from 6 institutions collected were 135. The total number of persons who did not co-operate and not responded when personally approached came to 38.

Among the 135 sample selected, 68 respondents who attended EDP were not running SSI units. 10 respondents had already started SSI units when they joined for EDP. Thus the sample of 135 consisted of,

Existing entrepreneurs	:	10
Potential entrepreneurs who started units	:	57
Trainees who were not running SSI units	:	68
Total	:	135

Total number of existing entrepreneurs among the sample trainees = 67(10+57)

Equal number of untrained entrepreneurs = 67
(Comparison group with almost same background)

Therefore, the total samples covered in this study were 202 (68 + 67 + 67)

Statistical analysis of the data were carried out using SPSS and MSTAT Statistical packages. Frequency distributions, Percentages and summated scales scoring were applied to measure the effectiveness of EDP and chi-square analysis was carried out to test the difference between trained and untrained entrepreneurs while assessing the effectiveness of EDPs.

1.5. Period of study

For the purpose of this study a five year period (1994-95 to 1998-99) was taken. A longer period was considered wherever necessary.

1.6. Limitations

Post-training monitorings were not done by institutions except REC and SISI and that too only to a certain extent. One of the objectives of this study was to find out how far EDP has been effective in starting as well as running successfully a small scale unit. Proper records of participants were not kept by some of the Institutions. Some Institutions had prepared their evaluation of the training programmes to some extent, but they were not ready to provide these details. One institution strongly objected to be compared with other institutions by researcher.

Identification of EDP trained entrepreneurs was very difficult. Letters were sent to EDP beneficiaries to know their present position with the help of available information. Those who started unit did not respond and some of the trainees who did not start units responded. Later, when personally visited, EDP, trained entrepreneurs admitted that they were reluctant to reveal the details of their units especially the exact number of persons employed,

Investment, Sales Turnover, profit/Loss etc. So effectiveness of EDPs on economic terms could not be analysed in this study.

1.7. Chapter Scheme

The present study was prepared in 7 chapters. The details of the chapters are as follows:-

Chapter I

In this introductory chapter meaning of EDP and its need for developing entrepreneurship, importance of the study, objectives, methodology, period of study etc. are included.

Chapter II

This chapter is devoted for reviewing the available literature on various aspects relating to entrepreneurial development such as studies on Entrepreneurship, Industrial Entrepreneurship and Industrial Estates, Small Scale Industries and Entrepreneurship in Small Scale Industries, Entrepreneurship Development and EDPs.

Chapter III

This chapter provides the theoretical background which include Definition and meaning of Entrepreneurship, Entrepreneurship Development, Definition, Meaning and Growth of

Small Scale Industries and EDPs. EDP activities of the sample Institutions under study are also included.

Chapter IV

A brief explanation of some of the Institutions involved in EDP in a broad, at the National Level and State Level are given in this chapter. This is prepared on the basis of information collected from Entrepreneurship Development Institutions through a structured questionnaire and also with discussions with executives, Trainers of Institutions and Co-ordinators of EDPs.

Chapter V

This chapter gives an analysis of the data collected from EDP trainees which is based on two separate questionnaires. Here EDP trainees are classified into those who have started SSI units and Non-starters. This chapter highlights the usefulness of EDPs to EDP trained Entrepreneurs as well as trainees who were engaged otherwise.

Chapter VI

Here, a comparative analysis between EDP trained SSI unit holders and untrained entrepreneurs are presented. Trained

entrepreneurs are compared with equal number of a similar group of untrained entrepreneurs to find out how far trained entrepreneurs were helped by EDP training. The problems encountered by both the groups in certain areas, factors motivated them to start the unit, reasons which they believe for running successfully the units etc. are also analysed.

Chapter VII

Final conclusions and suggestions for improvement are included in the last chapter.

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REVIEW OF LITERATURE

CHAPTER - II

REVIEW OF LITERATURE

A wide variety of research studies have been conducted by a number of individual scholars and institutions into the different aspects of entrepreneurship development. While some studies examined the entrepreneurial profile, some other emphasized the entrepreneurial performances and problems and still other have examined the role of different financial and promotional institutions in the development of entrepreneurial talents. In this chapter, a brief review of various studies conducted in related aspects of entrepreneurship is given. Though this study focuses on the role of EDP in Small Scale Sector, it would not be complete without going through the literature of related areas. Hence literature review is given under different heads as-

1. Studies on Entrepreneurship
2. Studies on Entrepreneurship in Industrial Estates
3. Studies on Women Entrepreneurship
4. Studies on Small Scale Industries
5. Studies on Training and Institutions
6. Studies on Entrepreneurship Development
7. Studies on Entrepreneurial Development Programme

In almost all Research studies conducted in the above fields, the importance of imparting training to potential entrepreneurs to enable them for successful venture launching were stressed.

2.1. Studies on Entrepreneurship

Entrepreneurship was considered to be one of the most important determinants in the process of industrialization, creating employment opportunities and accelerating economic growth. The entrepreneur was the central figure in the process of development. He introduced new combinations of factors thereby channelising the economy's resource along productive lines. The entrepreneurial activities stimulated progress and formed the mainspring of economic development. The availability of entrepreneurs therefore, was the pre-condition of economic growth. Small Scale Industries constituting about 90% of the total registered units not only enhanced employment but also broadened the industrial base and enabled entrepreneurship to spread to more regions and layers of society.

J.J. Berna (1960)[1] studied the occupational and socio-economic back ground of the entrepreneurs, the origin and growth of their firms, problems faced by them and their mobility. He concluded that in explaining entrepreneurial activity, economic

factors such as access to capital, possession of business experience and technical knowledge were more important than sociological factors such as caste, attachment to traditional activities and approval or disapproval of the social group to which a potential entrepreneur belongs.

Entrepreneurship in a broader sense, can be described as a creative and innovative response to the environment. Collins and Moore (1964)[2] described entrepreneurs as too restless, too independent and too creative. Entrepreneurship was the activity of initiating, promoting and maintaining economic activities for the production and distribution of wealth. Gaikwad and Tripathi (1970)[3] made an attempt to bring out the pre-requisites for successful entrepreneurship. They observed that all the entrepreneurs were persons with initiative, drive and hardwork though majority of them had no technical knowledge nor strong economic base or political connections.

Entrepreneurs were found to have a need for Achievement, Support, independence and leadership as significant characteristics (Hornaday, 1971)[4] and those who take huge risk (Sing and Kiran 1971)[5]. Pathak (1972)[6] studied their problems at 3 different stages – Inception, operation and expansion/diversification and found that

problems at the inception stage received relatively more attention than the problems at the remaining two stages.

M.A. Oommen (1972)[7] examined the emerging pattern of entrepreneurship in the small scale sector of Kerala by studying the origin and growth of firms in the light engineering industry and the impact of Government Programmes like industrial estates and rural industries project on entrepreneurship.

Ashish Nandy's study (1973)[8] of entrepreneurs and non-entrepreneurs revealed that in an enterprising community, entrepreneurial exposures themselves contributed substantially to entrepreneurship and identified such a phenomenon as an important determinant of entry and survival in business.

Motivation is one of the driving factors and healthy means for Achievement. The motivation to achieve an unexpected result is the basic mental drive that is required in present day entrepreneurship. Kock & Timmons (1973)[9] found in their study that achievement motivation was closely associated with entrepreneurial success. SIET conducted a survey (1947)[10] of small units situated in Hyderabad and Secunderbad which revealed that "economic gains" was the most important reason for starting the small industrial units followed by "ambitions", "Social Prestige" and "Social responsibility" in that order.

K.L. Sharma (1976)[11] found that inter-state variation in the industrial climate gives rise to variation in entrepreneurial performance and better the climate better would be the performance. The study affirms that socio-economic background matters, to some extent, for one's entry into manufacturing S.V.S. Sharmas (1978)[12] study on the profile of entrepreneurs in the North Eastern Region indicated that a successful entrepreneur was comparatively young in age with education upto matriculation or above having previous experience in artisanship or of business and trade or in Government Service. It was also revealed that the entrepreneurs had links with Government Officials/experts and a moderate degree of social participation. Sharma (1979)[13] made a critical appraisal of Government policies, Organisations and Programmes concerned with the promotion and development of small enterprises inorder to evaluate their effectiveness.

R.A. Sharma (1980)[14] found that strong desire to do something independently in life, technical knowledge and/or manufacturing experience, financial assistance from institutional sources, business experience in the same or related lines, accommodation in industrial estates and heavy demand were the factors that induced the new and small entrepreneurial class.

Choudhari (1981)[15] made an attempt to review the entrepreneurial activity of the North-East Region in order to find

out its identity in terms of social, local, occupational and product-wise variations. He observed that inspite of abundant natural resources, the pace of industrial growth was slow not only because of the lack of basic facilities and financial institutions but also due to untapped entrepreneurial talents in the region.

B.S.S. Rao (1983)[16] conducted a brief survey to have an idea about the extent of awareness in respect of opportunities in self-employment and their images about the assistance available from the support agencies which pointed out that a favourable climate needs to be created to promote entrepreneurship on a large scale among Science & Technology Personnel.

Venketapathy (1984)[17] analysed the adoption propensity of the entrepreneurs belonging to first & second generations and the interaction among the entrepreneurs belonging to first and second generations and entrepreneurs belonging to practice – potential levels. He found that the first generation entrepreneurs had a significantly higher level of adoption propensity compared to the second-generation.

Many Research studies have been conducted on the socio-economic factors affecting entrepreneurial growth and stressed the need for imparting systematic training to entrepreneurs either before

or after they start their enterprise. Subbi Reddy & Sobha Reddy's (1984)[18] study revealed that a family back ground of business experience is influential to a greater degree in taking to entrepreneurship. Subrahmanyan, Venkata Ratnam and Satya Raju (1984)[19] found that entrepreneurs with higher academic qualifications were found more in trade sector than in manufacturing sector.

Manju Gupta & Venkateswara Sharma (1985)[20] described the socio-economic characteristics of entrepreneurs in the non-traditional sector. H. Sadhak (1989)[21] found that most of the first generation entrepreneurs could not start their own projects without financial support. Bhatia & Sharma (1989)[22], Ramesh. C. Misra & Narendra Bisht (1989)[23] found socio-economic factors greatly influencing entrepreneurial performance especially family back grounds. Business families seemed to prefer industrial ventures in large numbers. They suggested that some institutional facilities should be provided by the state for improving their performance and EDPs must be conducted at the University level along with N.S.S Programme on a compulsory basis. Narasimhamurthi's study (1989)[24] revealed that the hold of caste structure on occupations was getting loosened throwing the doors of entrepreneurial opportunities wide open to people who were willing to take risks.

According to him training and experience instills confidence among youth, and served as the nursery for building enterprises.

M.C. Gupta & Sanjay Baijal (1990)[25] observed that most of the entrepreneurs were not well informed in regard to the competitive position, consumer's choices, and prospective markets of their products and consequently were deprived of adequate profits. It was suggested that more and more management training Programmes should be conducted by the Government and its promotional agencies with a view to acquaint the small entrepreneurs with the techniques of Management. P.K. Sharma (1991)[26] studied the role and contribution of Development Banks in the promotion and creation of new entrepreneurship, proliferation and upgradation of generated entrepreneurship, revival and rehabilitation of sick units. Promotion of entrepreneurship in small & Medium Scale Sector, backward areas and no industry districts.

The significance of Technical Education and Training has been proved by the studies conducted by Thangamuthu & Iyyampillai (1992)[27] and Karuns and Ramachandran (1992).[28] Zahir (1994)[29] found entrepreneurs with business background having wide contacts, basic experience and financial resources more successful. The factors influencing success of an entrepreneur highlighted by Nikhil and Ratna Menon (1999)[30] were

Foresightedness, adaptability, well planned marketing strategy, personal complementary traits like self-confidence, analytical skills, positive attitude, perseverance etc. They suggested that Entrepreneurial Training should be made more effective and include practical knowledge.

P.N. Menon and Sunil Dutt (2000)[31] identified the compelling factors responsible for Medical Professionals for starting their own enterprises and the problems encountered by them. They found that majority of the professionals had no awareness regarding the enterprise support system before starting their private practice and suggested that some elements of entrepreneurship should find a proper place in the curricula prescribed both at the graduate and post graduate levels in Medical Science.

D. Himachalam (2000)[32] conducted a detailed investigation on the opportunity factors influencing entrepreneurship and analysed socio-economic factors. He stressed the importance of EDPs to achieve competent entrepreneurs.

Kailash Chander (2001)[33] pointed out the importance of entrepreneurship for the socio-economic development of any nation and had laid emphasis on more and more entrepreneurs to enter

electronics industry whose development was of prime importance for every nation entering the 21st century.

2.2. Studies on Entrepreneurship in Industrial Estates

Industrial Estate Programme in India is perhaps the biggest undertaken by any developing country. The Programme started in 1952 when the first such estate was established in Maharashtra. The main objective of the programme was to encourage and support the creation, expansion and modernization of Small Scale Industries through provision of factory accommodation, common service facilities and assistance and servicing throughout all stages of establishing and operation and developing sub-contracting relationships within the small scale and large scale industries and specialized manufacturing activities. Subsequently, the programme also assumed the role of regional development through provision of built in factory accommodation with the requisite facilities and services in semi-urban, rural and backward areas.

P.C. Alexander's study (1955)[34] on industrial estates had showed that industrial estates scheme has been a great success in the country in achieving its main objective of attracting industries from outside. Dhar & Lydall (1961)[35] have stressed that the industrial estate programme should be used as a nursery for

efficient entrepreneurs to grow. Prakash (1980)[36] investigated into the working of Mini Industrial Estate Programme in Trichur District. He found that the units which were run by entrepreneurs who had previous experience in running industries or had business experience were making profit.

Gangadhara Rao (1986)[37] evaluated the impact of the programme of industrial estates on the emergence of entrepreneurship and growth of small units in coastal Andhra. According to him, educational and income levels were important factors in motivating entrepreneurship. Ashok Kumar (1990)[38] analysed the socio-economic background of entrepreneurs and found that education and training, previous job experience and encouragement of family members, friends and relatives were some of the important entrepreneurial motivations for entrepreneurs in two industrial estates.

Pawar (1990) found that the small entrepreneurs tended to keep the unit size small because of poor availability of capital, limitations of Management limited market and scarce raw materials. Thangamuthu and Manimekalai's study (1992)[40] concentrated on the socio-economic background and performance of entrepreneurs in the developed plot estate in Thuvakudi in Tamil Nadu, which revealed that parental education and occupation did not show a

perceptible bearing on the emergence and development of entrepreneurs.

2.3. Studies on Women Entrepreneurship

Women are increasingly seeking entrepreneurship as an avenue for economic growth. Across the world, the number of women starting their own companies is on the increase. A number of research studies have been carried out in women entrepreneurship.

Kirtida Surti & Dalpat Sarupria (1983)[41] attempted to investigate, what kind of role stresses women entrepreneurs experience and found that women who were coming from a joint family experience low stress than women from nuclear family. Neider (1987)[42] found that tension between personal life and career was a major problem by these women. Enterprises started by women were no longer confined to conventional fields like embroidery, knitting and tailoring. They are venturing into new fields like electronics, pharmaceuticals, engineering and services. Women form an important segment of the labour force and the economic role played by them cannot be isolated from the frame work of development.

A study conducted by N.C. Pillai & Anna V. (1990)[43] examined the compelling reasons and stimulating factors which had women to industry, revealed that women entrepreneurs were interested in gaining independent economic status. Hina Shah and Bhuptani (1990)[44] observed that women entrepreneurs wish "to be on their own" or "to do something independently" Shanta Kohli Chandra (1991)[46] found that socio-economic factors were affecting the women entrepreneurs. Rani (1992)[47] also found that the desire to do something independent was the strongest reason for becoming an entrepreneur followed by technical knowledge. Kamla Singh (1992)[48] studied the profile, entrepreneurial traits, performance of women entrepreneurs and explored the Institutions and Agencies extending financial support, technical training and guidance.

Anjali Mehta (1993)[49] identified areas of complaint / difficulty as bank financing, heavy paper work and inability of women to operate freely in male dominated business world. Lalitha Rani (1996)[50] analysed the socio-economic background and motivational factors of women entrepreneurs; their major strengths, weaknesses, opportunities and threats; their attitudes, aspirations and achievements and the work home role conflict they experience.

Monica Banerjee & Talukdar (1997)[51] observed that entrepreneurs with high achievement motivation, high job

involvement and high family annual income showed a high extent of entrepreneurship.

Aparajitha & Nayan Barua (1998)[52] observed that only a fraction of the trained women entrepreneurship come to the real world of business. The other part enjoys such programmes as a part time only without any follow-up action. Mallika Das (1999)[53] classified women entrepreneurs, based on their reasons for starting the business, into 3 categories – "chance", "forced" and "created" or "pulled" entrepreneurs. She found that while there are similarities between these groups in terms of certain demographic variables, they did differ in terms of critical business variables such as sales volume, expected growth and success factors.

According to Rajinder Kaur & Shally Bawa (1999)[54] women took up business ventures for a variety of reasons like ability utilization, achievement, advancement, economic rewards, personal development and prestige. Yadav (1999)[55] found that socio-economic environment affect the development of women entrepreneurship. According to Sudharshanan Pillai & Saraswathi Amma (2000)[56] entrepreneurial constraints at the beginning of the enterprise launching were lack of finance, lack of technical knowledge, lack of knowledge about various institutions, government programmes etc.

2.4. Studies on Entrepreneurship in Small Scale Industries

Entrepreneurial Development and Small Scale Industries are inter-related. The former gives berth to the small scale industrial units, while the latter provides further opportunities for entrepreneurial Development. Small Scale Industrial units do not only increase the quantum of goods and services in the country but also develop entrepreneurial and managerial skills.

The Research Department of Gandhigram Rural Institute of Higher Education, Madurai (1975)[57] carried out a descriptive and statistical study on "entrepreneurship in small scale Industry in the Madhurai city and its environs" among 150 industries. The study concluded that.

A small entrepreneur had to take advantage of the central and state assistance to help rural and semi-urban areas. To impart suitable training to educated youths of rural and urban area, unemployed engineers and technicians, more ventures of this kind had to be formulated and built into the development programmes in our country because unless the right type of entrepreneurial leadership is forthcoming, the programmes for industrial growth would be futile and devoid of any meaningful impact on the country's economy.

Ramakrishnan (1975)[58] enquired into small entrepreneur's social, educational and occupational back grounds, their motivations, expectations and reactions to Governmental Schemes of assistance. Hrishikesh Bhattacharya (1984)[59] conducted a study on the problems faced by small scale entrepreneurs and found that the smaller the firm the larger the proportionate increase in finance required to enable it to effectively respond to the demand of its product. It was also observed that smaller the firm, the less was its chance to command finance from bank because it did not have any track records of past years performance. Sidhardhan (1987)[60] examined the efficiency of entrepreneurship in small scale industries. He made a detailed discussion of the problems faced by small scale industries in Kanyakumari District. The major complaint voiced by the entrepreneurs was the rigidity with which banks and term lending institutions treating the entrepreneur's proposal for loans and other advanced.

Bhagwati Prasad and K. Eresh (1987)[61] conducted a field survey in Bellary District of Karnataka. They found that the new entrepreneurs who had come forward to start small scale units did not have adequate experience in the field. It was suggested that to prevent sickness in units, proper guidance and training and consultancy services should be made available to the entrepreneurs.

Shanmugham (1990)[62] analysed the back ground of entrepreneurs, the factors that influenced the entrepreneurs to start the business and the problems encountered by them. He found that previous experience in engineering units and technical qualifications influenced them to venture into business. Madhava Hejmade (1990)[63] found that factors like self motivation, and confidence, job skills, external motivation, Government Policy and calculated incentives could motivate people to take up an industrial venture on a small scale.

The Research study conducted by Satya Raju and Chalapati Rao (1992)[64] revealed that the success of the enterprise depends upon the effectiveness of the Management. Xaviour (1992)[65] examined the factors influencing the successful entrepreneurs and found that there was significant difference in the behavioural qualities of the successful and unsuccessful entrepreneurs.

2.5. Studies on Small Scale Industries

The small scale industry today constitutes a very important segment of the Indian economy. Small scale industrial units do not only increase the quantum of goods and services in the country but also develop entrepreneurial and managerial skills. The area in which small entrepreneurs face the greatest difficulty is that of

Management. A study of the management of Small Scale industries was conducted by Shashi Bala (1984).[66] In her study, smaller units found it difficult to secure loans.

Bedabati Mohanty (1986)[67] found that the nature of industry and type of product had great influence over employment generated by small industry. Naidu & Padmavathy (1987)[68] conducted an investigation into the growth, causes and consequences of sickness in small scale industrial sector in Chittoor district of Andhra Pradesh. N. Thanulingom & K. Natarajan (1989)[69] conducted a study of the impact of incentives on small scale industrial units in Madurai District in Tamil Nadu which indicated that entrepreneurs were motivated to start small scale units due to the availability of financial incentives. Entrepreneurs in small scale industries often faced the problems of raw materials (Ambili Kumar (1990),[70] Marketing, Finance, Management (Umesh. C. Patnaik 1992)[71] and Management of Finance (Retna raj 1992)[72]. In these studies also, the need of proper training to entrepreneurs were stressed.

Attahir Yusuf (1997)[73] conducted a study among owner/Managers of 300 firms to identify the major problems common to small business in Papua New Guinea in each lifecycle stage. The study also assessed the relative significance of these problems so as to identify the necessary shifts in management

priorities the small business might need to undergo as they go through the lifecycle. He found that firms achieved their highest level of profitability in the first 3 years of operation. Lack of business knowledge as a problem was manifested mainly during the formation and maturity stages.

2.6. Studies on Training and Institutions

Training plays a vital role in initiating and accelerating the process of Entrepreneurship Development. The spirit of entrepreneurship can be nurtured to some extend by an appropriate pattern of education and training programmes. For the success of an industry the man behind the project is more important than its fixed assets, the entrepreneur has to be trained well. Education and Training will very much help in developing and augmenting the supply of new entrepreneurs which is very much needed to harness the scarce resources for economic development.

Sarma & Vallabh Reddy (1985)[74] evaluated the operational aspects of TRYSEM (Training of Rural Youth for Self Employment) which revealed that the beneficiaries had benefited from training. There was an increase in their earnings after establishing self employment ventures. Lack of proper motivation and non-sanctioning of loans by financial institutions were some of

the reasons given by the beneficiaries of the programme for not starting their own units.

Anuradha Prasad (1988)[75] evaluated the working of TRYSEM in the villages of Union Territory of Delhi where TRYSEM was launched in 1979. The findings revealed that the village youths under TRYSEM were generally found to be poor in human resource endowment especially achievement motivation, influence and risk taking willingness to either taking up a new enterprise or achieving excellence in any enterprise.

H.K. Trivedi (1989)[76] ascertained the beliefs and attitudes of the business community towards professional management and identified managerial styles and motivation of businessmen. He came to a conclusion that suitable training programmes could contribute significantly in the removal of the 'non-professional' beliefs. Practical orientation of need-based training Programmes conducted locally and in the regional languages might help the cause of professionalism in business.

To promote self employment amongst the unemployed youth, a nation wide programme, SEEUY (Scheme for providing Self-employment to Educated Unemployed Youth) has been on since 1983. Chandrasekhara Rao & Rajagopalan (1990)[77]

conducted a survey to assess the success of SEEUY in terms economic results of survived units. They concluded that mere provision of financial assistance to start a self-employment oriented venture under SEEUY scheme was not yielding the desired results. Provision of appropriate training, better integrated plan for resource development and utilization and setting up of institutional facilities for marketing the products might have proved to be very useful in increasing the survival performance of the small ventures. Mohan Reddy, Gopalakrishnaiah and Sivaram Reddy (1990)[78] also evaluated the working of Gramodya (SEEUY), and found that educated youth with technical qualification were not attracted towards the scheme. They emphasized the relevance of Technical Training. Uma Mohan and Hari Narayana Rao (1992)[79] also evaluated SEEUY and they observed that entrepreneurial skill did not depend upon education, occupational background or caste.

M.I. Hassan (1993)80 evaluated the working of BITCO (Bihar Industrial Technical Consultancy Organisation) and found that on the basis of Industrial Potential Surveys it has become easier for entrepreneurs to know where the industrial potentialities exist. B.L. Chadha (1993)[81] studied the performance of RUDSET Institute (Rural Development and Self-Employment Training) in Karnataka. The Institute has recorded commendable results in terms of training

programmes conducted, number of candidates trained and their settlement.

2.7. Studies on Entrepreneurship Development

Development of entrepreneurship is very essential for the economic prosperity of a particular region, society or a nation. Entrepreneurship Development consists of mainly 3 activities such as stimulatory, support and sustaining. The stimulatory activities ensure the supply of entrepreneurs ready to take initiative and organize their enterprises. The support activities provide resources, ability and skill to entrepreneurs for enterprise launching and management. The sustaining activities make all the efforts for the growth and continuity of enterprises.

Bhanushali (1987)[82] analysed the merits secured by entrepreneur according to 6 criteria viz organizational set up, Personnel Management, Production Management, Entrepreneurial Success index, Marketing Management and entrepreneur criterion. P.N. Misra (1987)[83] examined the role of the specialized financial institutions in generating and developing new entrepreneurship in India. R.P. Kurulkar (1989)[84] suggested that to accelerate the development of rural entrepreneurship, the Government should create facilities like starting of more technical and vocational

schools, provision of good infrastructural facilities, and organization of EDPs for the rural youth. R.K. Jena & Basantha Kumar (1989)[85] in a study on the problems of educated unemployment in Rural India found that entrepreneurship development in rural industries appeared to be the best possible alternative to find employment avenues for them.

Vivek Deolankar in studies (1989)[86] and (1993)[87] suggested that timely action by Government and other agencies can accelerate the process of entrepreneurship development in India. He found that though first generation entrepreneurs suffer from lack of business experience, basic facilities and financial support, the pace of entrepreneurial development was slow due to untapped entrepreneurial talents.

Rashid Ali (1995)[88] analysed the socio-economic factors and found that entrepreneurs were attracted and prompted to set up industrial enterprises preferably at a place where land, labour and capital were easily, cheaply and adequately available and also emphasized the role of EDPs in the promotion of entrepreneurship. S.S. Khanka (1998)[89] after studying the Entrepreneurship Development in the North-East Region came to the conclusion that entrepreneurship development was not necessarily an individualistic effort. It was a collective endeavour of various groups working together for a common purpose.

Narinder Kaur (2001)[90] studied the role of Small Business Entrepreneurs in the changing global scenario, identified entrepreneurial factors contributing to success rate of small business entrepreneurship and highlighted problems associated with effective marketing by small business entrepreneurs. He suggested that a proper environment must be created where an entrepreneur is educated and he should have a proper training in acquiring the necessary skill in running the small business enterprises.

Kawaljeet Singh (2001)[91] analysed the economic and occupational back ground of industrial entrepreneurs and operational problems faced by them. He found that entrepreneurs in a number of cases failed because of lack of technical skills and management knowledge. The study highlighted the importance of assistance covering technology selection, technical information and training to accelerate formation of indigenous enterprises.

2.8. Studies on Entrepreneurial Development Programmes

A number of EDPs have been started in various parts of the country in order to provide proper motivational training to potential entrepreneurs and eventually to equip them with requisite knowhow so as to enable them to tackle various business problems likely to be faced by them in the setting up of their new projects.

At present a large number of institutions and organizations are engaged in conducting a variety of training and research activities directed towards developing entrepreneurship. According to a study conducted by NIESBUD about 686 organisations (which include DICs) are engaged in conducting EDPs in the country. Most of these organizations are established, sponsored and/or financially supported (directly or indirectly) by the central/state Governments, financial institutions and public sector banks.

The well known Kakinada experiment conducted by Mcclelland and his associates and entrepreneurship promotion work done by Gujarat Industrial and Investment Corporation and centre for Entrepreneurship Development, Ahmedabad have clearly shown that it was possible to train first generation entrepreneurs through systematic training.

A study made by a team of researchers and experts (1974)[93] appointed by the Gujarat Corporation to evaluate the EDPs which were pioneered and funded by them, focused on the effectiveness of the selection tools, training inputs, impact of achievement motivation, training, training pedagogy and faculty and organizational structure of EDPs. M.V. Deshpande & M.V. Panvalkar (1980)[93] proved that entrepreneurship can be developed through well-designed training programmes. They found that pre-

training preparation, evolving support systems and a regular follow-up during the post-training period were as important as the training itself.

By keeping a control group of non-trained entrepreneurs, Patel (1981)[94] attempted to assess the effectiveness of EDPs including financial performance of the units. He found that the EDP trained entrepreneurs had performed significantly better in terms of successful management of the ventures (as indicated by much less closures), profitability, Returns on investment etc, compared to non-trained entrepreneurs. A study was conducted by EDI (1987)[95] which covered EDPs conducted in Madhya Pradesh by 3 organisations viz SBI, SISI & MPCON (Madhya Pradesh Consultancy Organisation). Besides inter-organisational comparison, the study carried out a comparative analysis of EDP trained and non-trained entrepreneurs which observed that the performance of trained entrepreneurs was significantly better than the non-trained entrepreneurs.

A sample study of 40 units set up by trained entrepreneurs in Gujarat (1987)[96] who had at least 5 years of operational time, revealed that the EDP trained entrepreneurs had less than 10% closures compared to 20 or 25% among other small-scale enterprises. The study also revealed a need for improving the

training inputs on problem-solving skills and frequent refresher programmes on Management and decision making as desired by the entrepreneurs. SBI's Evaluation and Monitoring cell undertook evaluation of EDPs (1987)[97] conducted by SBI. Major objectives of this study were to assess overall success of these EDPs in terms of start-up rates, performance of the units started by EDP trained entrepreneurs and problems and prospects of SBI-EDPs. It observed that the funding of new ventures, poor follow-up, inadequate opportunity identification and guidance were major weaknesses of these EDPs.

Natarajan & Thenmozhi (1991)[98] analysed the socio-economic background of WEDP beneficiaries and found that women with previous experience have emerged as entrepreneurs. It was concluded that women possess entrepreneurial skill to start business venture. Another comparative study of EDP trained and Non-trained entrepreneurs was conducted by Mahajan (1992)[99] across two regions viz Rajasthan and the North-Eastern Region, which observed that the trained entrepreneurs were significantly better than the un-trained ones with regard to profits, earnings, employment creation etc.

An assessment of the success & effectiveness of EDPs were made by Dinesh. N. Awasthi & Jose Sebastian (1996)[100] and found

that EDPs as a developmental strategy have been successful in achieving their stated objectives. They observed wide variations in the performance of EDPs across the states and among the E.D. organizations. The performance of EDP trained entrepreneurs in comparison with that of un-trained entrepreneurs, has been significantly superior and the rate of sickness in the ventures launched by them has also been lower than the national average. Another comparative study conducted by Jasmer Singh Saini (1996)[101] proved that in terms of growth rate of employment generated and Sales Turnover achieved, trained entrepreneurs had exhibited significantly higher growth rate.

The achievement of EDPs are bound to vary from state to state and organization to organization because of the variations in policies, support system, infrastructure, quality of entrepreneurial supply and the efficiency of E.D. organizations.

However no study has so far been undertaken to explore the effectiveness of EDPs in the industrialization process in this part of the country. There are a number of institutions engaged in Entrepreneurship Development in general and conducting EDPs in particular. The present study is therefore an attempt to fill this gap of information.

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A STUDY ON THE EFFECTIVENESS OF ENTREPRENEURIAL DEVELOPMENT PROGRAMMES FOR THE DEVELOPMENT OF SMALL SCALE INDUSTRIES IN KERALA

THESIS
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OVER VIEW OF ENTREPRENEURIAL DEVELOPMENT IN SMALL SCALE SECTOR

CHAPTER - III

OVERVIEW OF ENTREPRENEURIAL DEVELOPMENT IN SMALL SCALE SECTOR

Many Governments in developing countries recognized that small and medium scale industries continue to play an important role in their socio-economic development. The small scale industry today constituted a very important segment of the Indian economy. This sector has played a vital role in shaping the destiny of the Nation since independence. It had emerged as a highly vibrant and dynamic sector of Indian economy. Entrepreneurial development and small scale industries were inter-related. The former gave birth to the small scale industrial units, while the latter provided further opportunities for entrepreneurial development. The rapid growth of small scale sector was mainly due to the entrepreneurship development.

Nations became economically great not only because of natural resources but of quality entrepreneurial talent with which they were endowed. The small scale industries sector acted as a nursery for promoting entrepreneurial talent and as a catalyser in industrial growth through a wide network of more than 3 million units in the country. At present the SSI sector was one of the largest

employers in the country, providing direct employment to an estimated over 17 million persons.

Industrialisation and entrepreneurship were directly related, for, it was the entrepreneurs who established units. The entrepreneurship development in India acquires importance due to the need for-

(a) accelerating the rate of economic development;

(b) achieving the objective of balanced regional development by providing broad base to the industrial development;

(c) solving the problem of unemployment to some extent; and

(d) directing available resources towards non-traditional areas of investment[1].

Entrepreneurs were the real heroes of economic life. According to Webster's Third New International Dictionary, an entrepreneur was an organizer of an economic venture, especially one who organized, owned, managed, and assumed the risks of a business. He was a critical factor in the socio-economic change. He was the Keyman who envisaged new opportunities, new techniques, new lines of production, new products and co-ordinated all other activities. Entrepreneurship was an input for industrial growth, economic development and social progress. Entrepreneurs were

responsible for a significant amount of the change in our society, much of the economic growth, practically all of the sustained growth in employment, plus the new technologies that make our life easier and more enjoyable[2].

Entrepreneurship was a gradual process of development and reformation in every field of socio-economic endeavour. It was an individuals response to an environment. The choices made by an entrepreneur at different stages of the development of an enterprise were the key elements of entrepreneurship that contributed to entrepreneurial success. Owing management responsibilities sales promotion, single goal orientation and early establishment were highly positively associated with entrepreneurial success[3]. According to some researchers, the pre-requisites for successful entrepreneurship were high motivation, managerial competence, bold, dashing and pragmatic personality[4], high level of aspiration, risk taking and adoption propensity[5] and previous experience[6,7]. A study of SSI units in Punjab observed that the entrepreneurs in low investment groups were more successful than those in other groups[8].

The development of entrepreneurship was considered as an engine of growth to accelerate the overall and diversified industrial and economic development of a nation. In fact, industrial development could not prosper without development of skilled and

trained entrepreneurship. The promotion and development of small scale industries were intimately linked with development of entrepreneurship. "The best entrepreneur to any developing country was not necessarily the man who used much capital, but rather the man who knows how to organize the employment and training of his employees"[9].

Entrepreneurs were "risk-takers"[10]. It was their ability to forge ahead with a single minded devotion to their 'pet project' or dream which distinguished entrepreneurs and led them to success. Supporting microenterprise through Non-governmental Organisations (NGOs) had come to be seen as an important approach for generating local employment and raising incomes. The case of the Grameen Bank in Bangladesh has been extremely influential in demonstrating the potential of credit provision to small scale micro enterprise to reduce poverty[11]. Being an entrepreneur was a transitory moment in an individuals economic life, although it could then lead to a certain class position. The essence of entrepreneurship was operating one's own enterprise.

3.1. Qualities of a Successful Entrepreneur

Several research studies have been carried out to identify the traits of a true entrepreneur. Macclelland (1961)[12] pointed out in his

book, 'Achieving Society' that successful entrepreneurs were characterized by

(a) an unusual creativeness;

(b) a propensity of risk taking; and

(c) a strong need for achievement

A distillation of 50 research studies revealed the following entrepreneurial traits[13].

(i) Total commitment, determination and perseverance

(ii) Drive to achieve and grow

(iii) Opportunity and goal orientation

(iv) Taking initiative and personal responsibility

(v) Persistent problem solving

(vi) Realism and a sense of humour

(vii) Seeking and using feed back

(viii) Internal locus of control

(ix) Calculated risk taking and risk seeking

(x) Low need for status and power

(xi) Integrity and reliability

Entrepreneurship played both the roles of Managership and Leadership. Managerial role was exhibited by entrepreneurs in their capacity as heads of the enterprise, procuring and allocating resources to manage the enterprise. They also played leadership role when they were driven by their own vision to innovate or bring in a change in the manner events took place[14].

Developed nations like USA, UK and Japan have acknowledged that it was the 'spirit of enterprise' among their people that has transformed their small agro-based industries into big industrial giants[15]. These countries had further specified the need to promote entrepreneurship among the people to achieve higher levels of economic growth. The inadequacy of entrepreneurship was considered an inhibiting factor to accelerate the process of industrialization in the developing countries. Entrepreneurs are key persons of any country for promoting economic growth and technological change. The development of entrepreneurship was directly related to the socio-economic development of the society.

3.2. Entrepreneurship Development

Entrepreneurship Development was emerging as one of the key factors in accelerating economic development in India.

Entrepreneurial success depends basically on the entrepreneur running the unit. Industrialisation of remote areas was possible only through the development of indigenous entrepreneurship. Thus in order to effect a balanced area development and dispersal of industrial units in interior areas, promotion and development of local entrepreneurs appeared to be essential[16]. In recent years human resource development has been receiving great attention in developing countries. With this came renewed attention towards the role of entrepreneurship in initiating and stimulating economic development.

Programmes and Schemes initiated and being implemented by the various Government agencies underline the importance of entrepreneurship as the key variable in the process of industrial development. A greater emphasis was on developing the quality and quantity of entrepreneurship was expected to result in a better rate of industrial growth. This required identification and promotion of potential entrepreneurs and the qualities associated with entrepreneurship. A proper understanding of the process of entrepreneurial development was thus inevitable for formulating and implementing effective policies intended to promote entrepreneurship[17]. Entrepreneurial development was a process in which persons were injected with motivational drives of

achievement and insight to tackle uncertain and risky situations especially in business undertakings. The process of entrepreneurial development focused on training, education, re-orientation and creation of conducive and healthy environment for the growth of enterprises.

Entrepreneurial motives, abilities and a congenial environment which promote sustainable small entrepreneurship have been found to be largely lacking in the country. It was then widely accepted that good entrepreneurs were not necessarily born but could be moulded in fact it was the rationale of the EDP which have proliferated so much in the country since 1971. All of them were based on the assumption that through specific training programmes it was possible to make a person (who has the potential) develop the competence required to run a small business successfully." Experience of last few decades both in India and abroad clearly showed that it was possible to develop entrepreneurs through planned efforts[18]. The reason of the backwardness of the underdeveloped countries lied in the fact that they were deficient in innovating and imitating entrepreneurs while they are found in abundance in developed countries.

The experience had shown that two major factors have played significant role in developing entrepreneurship. One of

them was the development of human factor – the entrepreneur himself, another major factor was the development of environment where entrepreneurial activities could flourish and grow. The human factor referred to the attitude, desire and motivation of individual, his capability to perceive the environmental changes and opportunities as well as his ability to solve the problems which entrepreneur was likely to face. The training was effective in developing all these aspects of human factor provided it was planned well with balanced emphasis on all aspects. Training had played crucial role for all such strategies in initiating and accelerating the process of entrepreneurship development. "Entrepreneurs are not born, they were made through different training Programmes"[19].

The Government of India was actively associated with the entrepreneurial development because the programme of entrepreneurial development were broadening the entrepreneurial base and encouraging the rapid growth of small, medium and tiny sector entrepreneurs. Thus the potential entrepreneurship necessarily ensured entrepreneurial success[20]. Entrepreneurial supply largely depended on the stage of economic growth, the socio-economic environment, policy measures of the Government and the individual's own skill motivation and training.

A conducive environment was an important factor which helped not only in encouraging entrepreneurial promotion but also the success of the enterprise (Report of the committee on Development of Small & Medium Entrepreneurs, Government of India, New Delhi 1973). The environment was normally reflected in the socio-political and economic policies of the government and other financial institutions, the investment opportunities available and the presence of various infrastructural and other utilities in the economy.

Upto 1960s no systematic plan and policy were undertaken for entrepreneurship development. The Government of India launched special schemes for self employment of engineers and other educated unemployed persons. From 1968 emphasis was given to train entrepreneurs in science and technology. This started with organization of training courses launched by Small Industry Service Institute and a few selected institutes.

The strategy of entrepreneurial development in India, had however, rested on the premise that by providing training, financial support, infrastructural support, incentives and subsidies, one could produce entrepreneurs who would then generate jobs for others. Opportunity seeking behaviour, ability to innovate and take risks and the need to develop skills which were critical to the firm have,

unfortunately not received the necessary attention[21]. It was through the efforts of entrepreneurs that a small industry could become a dynamic sector of the economy and hence the effort made to develop such persons was well worth the investment in terms of labour and cash.

A worthwhile point, which could be observed in the various entrepreneurial development endeavours of the government during the first year plan was the underlying assumptions that entrepreneurship would automatically develop if entrepreneurial opportunities were made available. Not much importance was given to the direct role of the Government for the development of the entrepreneurship talent in the society. The continued depressed growth of the economy, increasing concentration of the means of production in a few hands, acute regional imbalance, mounting unemployment problem and the industrial stagnation, virtually forced the Government to take the entrepreneurship development programme on the large scale during the later part of the planning period[22].

3.3. Women Entrepreneurship

Various programmes have been launched by the Government and private institutions to involve women participants in the

development process, and they ultimately paved way for the development of entrepreneurship. In rural areas it was the awareness creation, which was the motivation force to start business. Emergence of women entrepreneurs in the economy was an indicator of women's economic independence and their improved social status. The quest for economic independence and better social status and sometimes sheer need for the family's survival, force women into self-employment and entrepreneurship[23]. The role of women entrepreneurs helped industrial development, promoted economic development and helped to solve the problem of unemployment and poverty. There was a potential among women and proper environment must be created to nurture entrepreneurship among these women, who belonged mostly to non-traditional entrepreneurial group[24].

In India women's development was not distinguished as an identified sector, in the initial years of planning at the national level. It was only during the sixth plan from 1980-85 that the magnitude of women's problems were perceived and the need to make special efforts for the economic development of women were recognized. In the seventh plan (1985-90) there was a definite shift in focus from the welfare concept to development concept in programmes for women ushering in a new thrust for the development of women.

Women constitute nearly half of the rural population of India and play vital role in the rural economy. They needed to be considered equal partners along with men in the development process. Having realized the importance of the role to be played by women in national development, a special chapter on the details of the plan of action for integration of women in development has been included in the sixth five year plan and also was extended in subsequent five year plans. Further the New Industrial policy of Government of India had specially highlighted the need for conducting entrepreneurship programmes for women to enable them to start small scale industries. The feed back from some of the institutions imparting training under the EDPs point to the popularity of product based training among women entrepreneurs towards items like readymade garments, dress designing, food products, export-oriented handicrafts, plastic products, soft tiles and herbal preparations[25].

Entrepreneurship started by women was no longer confined to conventional fields like embroidery, knitting and tailoring or 3 P's – pickles, powder and pappad, but women were venturing now into modern technological field or 3 E's - energy, electricity and electronics.

The CSO Survey of Manufacturing Enterprises (1994-95) revealed that out of a total of 2.14 million proprietary units owned by women entrepreneurs, 1.65 million (76%) and 0.49 million (24%) units were located in rural and urban areas respectively. Women entrepreneurs in the urban areas had a better concentration in capital intensive industries. Inorder to promote women entrepreneurship, SIDBI has designed a number of programmes such as Mahila Vikas Nidhi, Mahila Udyam Nidhi, Micro credit Scheme, Women Entrepreneurship Development Programmes etc. These programmes were formulated with the twin objectives of:

(i) providing training and extension services support to women entrepreneurs through a comprehensive package suite to their skills and socio-economic status; and

(ii) extending financial assistance on liberal terms, to enable them to setup industrial units in the small scale sector.

Special recognition has been given to encourage the women enterprises in the state of Andhra Pradesh by establishing an exclusive Industrial Estate for Women Entrepreneurs.

Entrepreneurship Development Institute of India, Ahmedabad conducted result oriented entrepreneur development programmes mainly for industrially backward and rural areas. Women

entrepreneurs were a special target group for this programmes. The National Institute for entrepreneurship and small business development was also engaged in women entrepreneurship development activities. "Shree Shakti Package" for women entrepreneurs was started by State Bank of India to provide concessions and special training facilities.

3.4. Women Entrepreneurship in Kerala

Kerala has made significant progress in the field of social development and this was reflected in the high level of literacy among the women. Women were playing a very important role in Kerala's social development. It was a well known fact that the Kerala women have proved that women were equally good in entrepreneurial activity.

According to a study the number of women's industrial units in Kerala was 358 in 1981 which rose to 782 in March 1984. These 782 units included 592 proprietary concerns, 423 partnership firms, 42 charitable institutions, 3 joint-stock companies and 102 co-operative societies covering a wide range of activities. The financial marketing and training assistance provided by the State Governments also helped to motivate women to assume entrepreneurial career. (Government of Kerala: Women's industries department, Thiruvananthapuram).

Looking at the indicators of social development, Kerala was at par with many developed countries[26]. The economic indicators, however were not that laudable. The female work participation rate in Kerala was only 15.85% while it was 22.26 for India as a whole. During the second All India census of small scale Industrial Units in 1988, only 5.95% of units in Kerala were owned by women against the All India average of 7.69%. In the 1990s women entrepreneurship in Kerala registered an upward trend much to the delight of policy formulators and decision makers. In 1997, the percent of units owned by women in Kerala rose to 15.77. The third All India census of Small Scale Industrial units in 1999-2000 showed marginal increase in the number of women entrepreneurs ie from 5.15% in 1987-88 to 5.59% in 1999-2000.[27]

Table 3.1

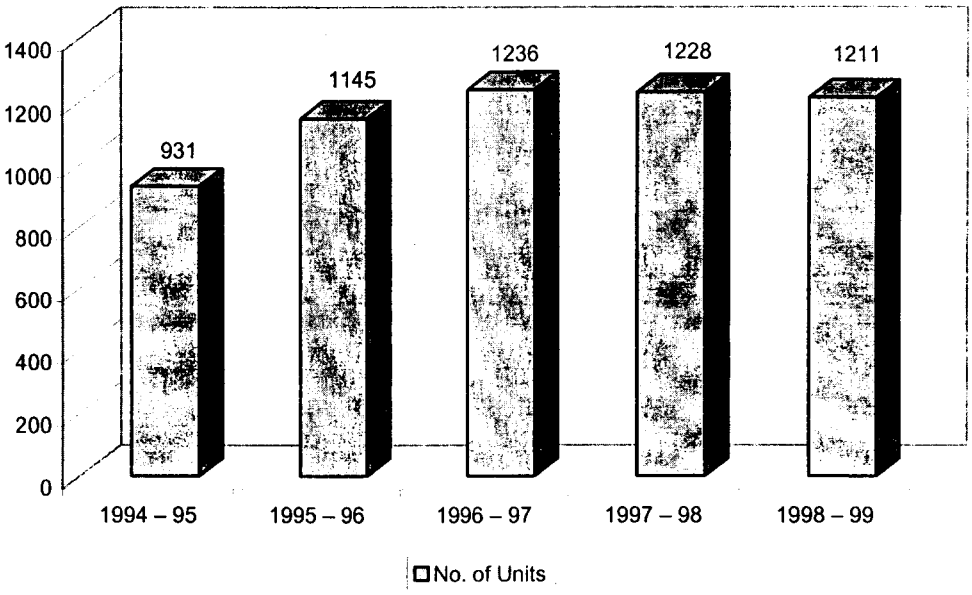
Number of Industries Registered in Kerala under women Industries Programme

Year	No. of Units
1994 – 95	931
1995 – 96	1145
1996 – 97	1236
1997 – 98	1228
1998 – 99	1211

Source: Vyavasaya Keralam, September 2001; 33 (3)

Fig. 3.1.

Number of Industries Registered in Kerala under women Industries Programme



During the year 1997-98, out of 19, 547 small-scale Industrial units Registered in the State, 4,666 were units owned by women entrepreneurs. With this the total number of units owned by women in Kerala came to 29,976 as on 31.3.1998[28]. During the year 1998-99 women entrepreneurs started 4,459 (22.59%) units out of 19,736 units registered in the state. As on 31.3.1999, units registered by women entrepreneurs reached 34, 435 (17.23%)[29].

Women's desired to work at the place of residence, difficulty of getting jobs in the public and private sectors and the desire for social recognition also motivated women in Kerala for self-employment[30].

Women entrepreneurs faced two types of problems (1) general problems faced by all entrepreneurs and (2) problems specific to women. Male dominating society, family ties, lack of need achievement, education and risk-bearing abilities were the examples of problems specific to women entrepreneurs. In a study of women entrepreneurs in Ernakulam district, it was found that most of the women entrepreneurs limited their growth due to reasons of fear of managerial problems, loss of tax incentives for SSI units, marketing problems, scarcity of finance and other related units[31]

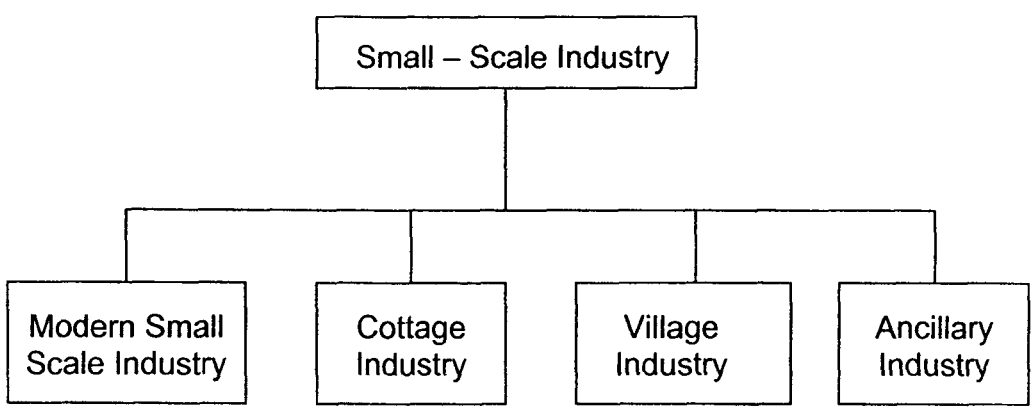
3.5. Small Scale Industries

The small scale sector assumed importance in our country owing to its inherent characteristics of higher employment potentiality, increasing income levels, increasing standard of living, lesser capital requirement, depending on untapped locally available resources, dispersal of industrial units, reducing regional imbalances and the like.

The small scale industry development ultimately led indirectly to the development of entrepreneurship. The industrial development could not be dreamt of without proper development of entrepreneurship. These two were like two sides of the coin that

one couldn't be thought without the other, which were very vital for accelerating economic development. Releasing the core importance of this sector, the Government of India has formulated industrial policies in favour of the entrepreneurs and has been offering packages of incentives and extending financial assistance to them. Consequently a good number of financial institutions and the allied agencies had come into being to meet the needs of the entrepreneurs.

For small – scale industries, the planning commission of India used terms 'village and small-scale industries'. These included modern small-scale industry and the traditional cottage and household industries. This is depicted in the following chart.



A small unit in India was that unit which has invested in plant & machinery upto a maximum of Rs.1 crore. Same investment limit applied in the case of Ancillary Industrial

Undertakings and Export Oriented Units. The units with investment in plant and Machinery upto Rs.25 lakhs were called tiny units. An ancillary unit is one which sold not less than 50% of its manufacture to one or more industrial units. The SSI sector in India, over the past 50 years, had made significant contributions towards building a strong and stable national economy.

The SSI Sector, as an important segment of Indian economy, accounts for;

- 95% of industrial units;
- 40% of output in the manufacturing Sector;
- employment to over 17 million persons;
- 35% of total exports

This sector covered a continuum of the artisans/handicrafts units it one end and modern production units with significant investments on the other producing a wide range of over 7500 products. The sector acted as a 'nursery' for the development of entrepreneurial talent. The SSI sector has been receiving special attention from the policy makers in addressing its requirements, be it credit, marketing, technology, entrepreneurship development, fiscal or infrastructural support.

The Department of SSI and Agro & Rural Industries (SSI and A & RI) was created under the Ministry of Industry, Government of India, to formulate policy frame work and initiate appropriate programmes and schemes for the promotion of SSIs in the country. The range of functions of the department included the setting up of a network of institutions to render services up of a network of institutions to render services of a varied nature like, techno-economic and managerial aspects, training, testing facilities, marketing assistance etc. These activities were supported by a host of other central / state departments, agencies and autonomous institutions all over the country.

The scheme of National awards to outstanding small scale entrepreneurs was introduced in the year 1983 to encourage primarily first generation entrepreneurs. In the Indian context, small industry has become broad based by giving special recognition to the service sector in its developmental programme and it was referred to as the small enterprise sector, particularly in the context of generation of self-employment opportunities.

SSI sector had seen employment generation at a compound annual rate of over 4.2% during the period 1991 to 1998. A total of 32.25 lakh units contributed a total production of Rs. 5,78,470 crores and employ 177.5 lakhs of people in 1999-2000. An idea of

the overall growth of this sector since 1994-95 can be obtained from the following table:-

Table 3.2

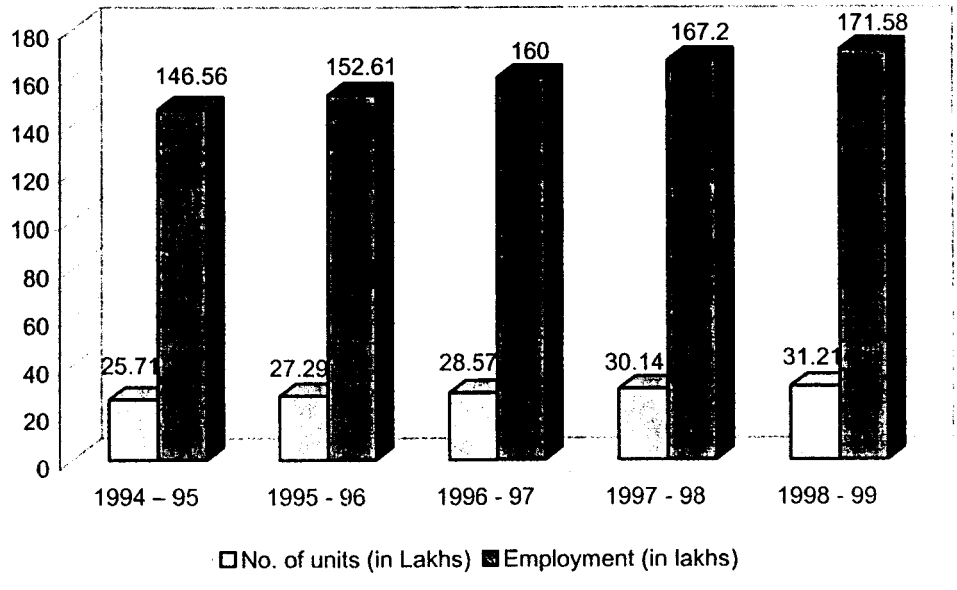
Over all performance of SSIs in India

Year	No. of units (in Lakhs)	Employment (in lakhs)
1994 – 95	25.71	146.56
1995 - 96	27.29	152.61
1996 - 97	28.57	160.00
1997 - 98	30.14	167.20
1998 - 99	31.21	171.58

Source: Laghu Udyog Samachar, July-Sept 1999 XXIII & XXIV (12 to 2) P.4.

Fig. 3.2

Over all performance of SSIs in India



Total number of units in small scale sector in India had increased from 19.48 lakhs in 1990-91 to 31.21 lakhs in 1998-99. During the year 1998-99, the contribution of small scale sector towards production at current price rate Rs.5,27,515 crores which was 1,55,340 crores in 1990-91.

It was widely recognized that SSIs had great export potentiality. The immense potential of the SSI sector in improving upon the country's share in the world trade and making it a dominant economic player in the next century could be assessed from its past performance as exporting sector of the economy. Exports from SSI sector has been growing at an annual rate of about 22.5% p.a. since 1991-92.

Table 3.3

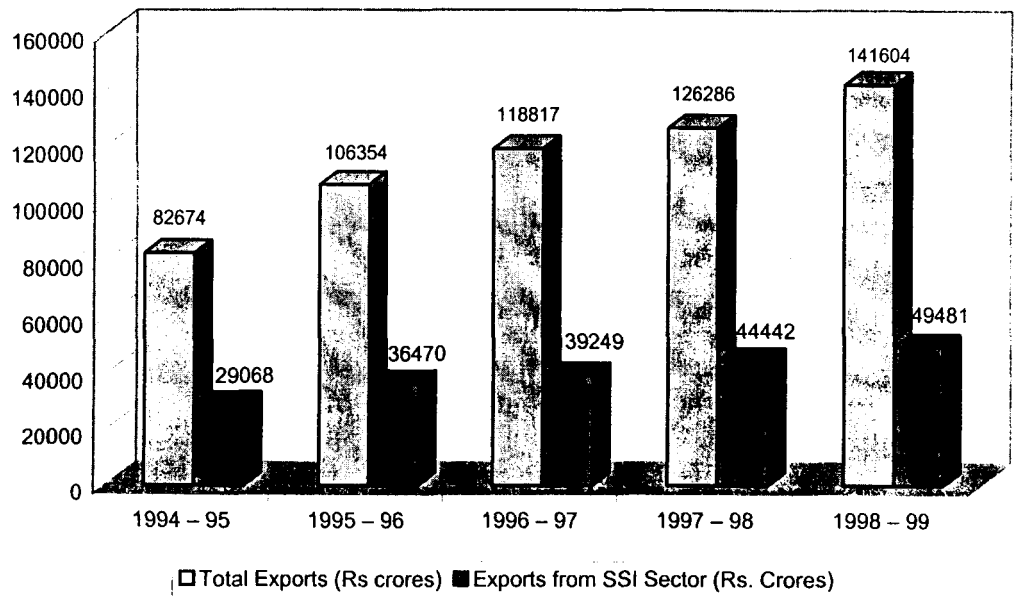
Growth of SSI Exports

Year	Total Exports (Rs crores)	Exports from SSI Sector (Rs. Crores)	Percentage Share
1994 – 95	82674	29068	35.1
1995 – 96	106354	36470	34.2
1996 – 97	118817	39249	33.4
1997 – 98	126286	44442	35.2
1998 – 99	141604	49481	34.9

Source: Laghu Udyog Samachar, July Sept 1999 P.5.

Fig 3.3

Growth of SSI Exports



In a span of two decades ie, 1971-72 to 1991-92, the total exports from the country increased by 27.3 times, while that from the SSI sector increased by 89.56 times.

Today the small scale sector produced a wide range of items, numbering about 7500. The items which played dominant role in terms of exports were readymade garments, leather products, processed food and marine products, engineering goods, electrical and electronic goods, plastic goods, basic chemicals and pharmaceuticals etc.

Experience world wide showed that the development of SSIs was one of the most cost effective ways of creating employment,

spreading industry, catalyzing Research and Development and allowing entrepreneurial talent to grow.

Small enterprises unlike the big enterprises with the layers of control and separation of ownership were inherently flexible to react to market signals and changing tastes. This made the small firms more innovative and open to new ideas. They also interacted more closely with their customers to be in touch with changing preferences. In addition, SSI units had better access to cheap labour and have lower overheads which helped them to reduce the cost of production.

3.6. Small Scale Industries in Kerala

In the post independence era when great emphasis was given to industrialization, Kerala had neither an entrepreneurial class nor the industrial climate to take advantage of the situation. This was perhaps the most important cause for the relatively poor industrial development of the state. Another reason for the sluggish growth of entrepreneurship in Kerala was the paucity of adequate capital for investment and unsatisfactory industrial relations climate. The Net Domestic Product of Kerala registered a growth of 45.1% during the period 1991-92 to 1997-98.[32] Kerala occupied fifth position among the major states in the country, climbing from ninth position during the six year period preceding 1991-92.

Unemployment continued to be a serious problem of the state. The number of job seekers on the live registers of the employment exchanges continued to be very large, it came to 37.90 lakhs in 1999, of which 58.4% were women. The Government of Kerala has targetted creation of employment of 15 lakhs persons (including self employment) over a period of 5 years[33]. The Department of Industries and Commerce has been traditionally implementing various schemes to provide subsidy / other incentives and also to train entrepreneurs.

Table 3.4

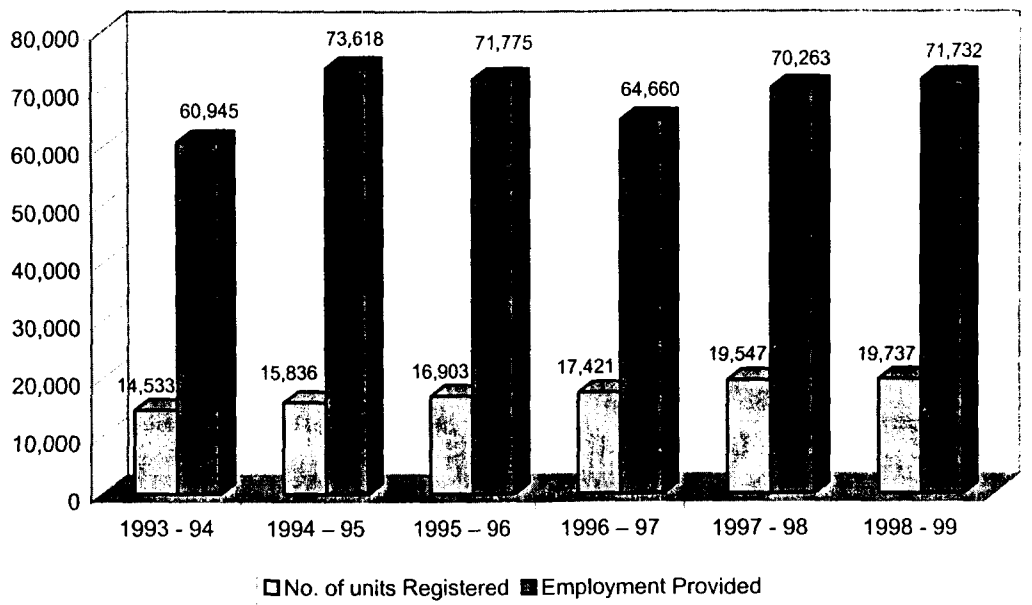
Year-wise details of SSI units Registered and Employment provided in Kerala

Year	No. of units Registered	Employment Provided
1993 - 94	14,533	60,945
1994 – 95	15,836	73,618
1995 – 96	16,903	71,775
1996 – 97	17,421	64,660
1997 - 98	19,547	70,263
1998 - 99	19,737	71,732

Source: Directorate of Industries & Commerce, Thiruvananthapuram

Fig. 3.4

Year-wise details of SSI units Registered and Employment provided in Kerala



During the year 1993-94, the total number of SSI units registered was 14,533 giving employment to 60,945 persons. During 1994-95, 15,836 SSI units were newly registered in the state, against a target of 15,000 units marking a growth of about 9% over the previous year. The capital invested by these units amounted to Rs.19217.92 lakhs. These units have created employment opportunities to 73,618 persons. The district-wise performance showed that Ernakulam (1915 units) and Thiruvananthapuram (1758 units) continued to maintain the top position. During 1995-96, a total number of 16,903 SSI units were newly registered in the state against a target of 16,000 marking a

growth rate of about 6.74% over the previous year. These units have created employment opportunities to 71775 persons. The district wise performance showed that Ernakulam (2000 units) and Thiruvananthapuram (1865 units) continued to maintain the top position in the registration of new SSI units. Total number of SSI units registered in Kerala as on 31st March 1996 recorded a level of 143123. During the year 1996-97, the total number of SSI units registered in the state stood at 17.421 providing employment to 64,660 persons. District-wise performance showed that Ernakulam (2227 units) and Thiruvananthapuram (1905 units) continued to maintain the top position. During the year 1997-98, 19547 units were registered giving employment to 70,263 persons. The total number of SSI units registered as on 31st March 1998 has been raised to 1,80,091 and employment generated to 9,09,859 persons. During 1998-99, 19,737 SSI units were newly registered giving employment to 71,732 persons.

The main results of sample survey of registered SSI units conducted during 2000-2001 for the reference year 1999-2000 are as under.[34]

Total No. of registered SSI units	:	19.63 lakhs
No. of working units	:	71%
No. of closed units	:	29%
Major reasons for closure	:	(i) Marketing Problem (ii) Finance Problem (iii) Could not survive competition

Distribution of working units – Rural	:	47%
Urban	:	53%
No. of working units exporting	:	2.71%
Total exports of registered SSI sector	:	17.01%
No. of working units owned/Managed by women	:	5.59%
SCS	:	5.80%
STS	:	2.60%
OBCs	:	17.51%

At present a number of incentives were offered to small units. The small Industrial Service Institutes, Small Industries Development Corporations and public sector banks conducted Entrepreneurial Development programmes for development entrepreneurial and managerial skill through direct experience and supply of information about the region and industrial potential. They provided the prospective entrepreneurs consultancy service in areas like project selection, preparation of project report and market surveys. Inorder to provide all facilities required by entrepreneurs to run small scale units in one place, industrial estates have been constructed by the state governments and Small Industries Development Corporations.[35]

3.7. Entrepreneurial Development Programmes

Entrepreneurship Education was the process of providing individuals with the concepts and skills to recognize opportunities

that others have overlooked and to have the insight, self-esteem and knowledge to act where others have hesitated. It included instruction in opportunity recognition, marshalling resources in the face of risk, and initiating a business venture. It also included instruction in business management processes such as business planning, capital development, marketing and cash flow analysis. There was a need for entrepreneurial education to promote better planned business start-ups, greater proficiency in start-up skills, effective new-firm management, greater public awareness, and more entrepreneurial ventures.[36] The objectives of entrepreneurial education included.

(1) increasing awareness of entrepreneurship as a career choice;

(2) improving student's prospects for business survival through a variety of conceptual and applied courses.

(3) informing students not interested in entrepreneurship of the nature and importance of entrepreneurship as well as the risks and difficulties encountered by entrepreneurs; and,

(4) Providing curriculum aimed specifically at developing entrepreneurial behaviour in key employees of firms.

Increased awareness regarding the usefulness of entrepreneurial training has resulted in demands even from existing small entrepreneurs for skills upgradation training. The first generation entrepreneurs who have not had any formal training in

entrepreneurship before taking the plunge was now feeling the need very strongly. They were looking for the development of skills and competencies of entrepreneurship so as to strengthen and improve their existing business.

Development of an entrepreneur meant inculcating entrepreneurial traits into a person, imparting the required knowledge, developing the technical, financial marketing and managerial skills, and building the entrepreneurial attitude. The process of entrepreneurial development involved equipping a person with the information used for enterprise building and sharpening his entrepreneurial skills.

Training entrepreneurs for business creation was undertaken for a variety of purposes. Most often, business creation was thought of in economic terms, for the wealth created in goods and services and for the jobs generated. This was illustrated by Patel's summary of the purposes of entrepreneurship development programmes undertaken by state Governments, Industrial Promotion Organisations and Development Banks.

1. Accelerated industrial development by enlarging the supply of entrepreneurs.

2. Industrial development of rural and less developed areas where local entrepreneurship was not readily available and

entrepreneurs from nearby cities and towns were not easily attractable.

3. Enlarging the small and small-medium enterprise sector which offers better potential for employment generation and wider dispersal of industrial ownership.

4. Providing productive self-employment to a number of educated and less educated youngmen and women coming out of schools and colleges.

5. Improving performance of small industries by enlarging the supply of carefully selected and trained "well-rounded" entrepreneurs and diversifying sources of entrepreneurship and therefore, business ownership.[37]

An EDP was based on the belief that individuals could be developed, their outlook could be changed and their ideas could be converted into action through an organized and systematic programme. EDPs had great scope in increasing the supply of new entrepreneurs to accelerate the process of industrialization. Training made a lot of difference in the performance of the entrepreneurs. Technical Training and self-employment generation schemes have been often misconceived as entrepreneurship development. It was stated that while all entrepreneurs all self-employed, all self-employed persons were not entrepreneurs.

Entrepreneurship was setting up of a commercial enterprise involving production or sale of a product or service and the persons concerned took risk, and its success generated further employment.

The entrepreneur perceived the commercial potential of an idea, marshalled the resources and provides the impetus to set in motion the commercial exploitation of the idea. For an entrepreneur, risk was associated with whether or not the idea will work, regarding marketability?, will the product or service perform as anticipated?, could the inputs be acquired/ etc. In fact, the entrepreneur was concerned with uncertainty. Financial risk bearing was not the essence of entrepreneurship. Thus entrepreneur-training provided training in the process of business creation.

The objective of the programme of training in entrepreneurship development was to develop motivation of potential entrepreneurs, helped them in taking up suitable enterprises and activities, enable them to prepare economically viable and technically feasible project reports and enhanced their enterprise-building skills. The training programme further enabled entrepreneurs to develop skills in identifying suitable items for manufacture which would 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. There was a 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.

3.8. Basic Features of EDPs

The basic features of EDPs are listed out below:-

(1) Identification and careful selection of entrepreneurs for training;

(2) Development of the entrepreneurial capabilities of the trainees;

(3) Equipping the trainees with basic managerial understanding;

(4) Ensuring a viable industrial project for each potential entrepreneur;

(5) Helping him to secure necessary financial, infrastructural and related assistance; and

(6) Training cost was highly subsidized and only a token fee was charged.

3.9. Phases of EDPs

An entrepreneurship development Programme consisted of the following three phases:[38]

1. Pre-training phase
2. Training phase
3. Post-training phase (Follow-up)

3.9.1. Pre-training Phase

The activities and preparations required to launch the training programme come under this phase. This phase, accordingly, included the following.

(a) Selection of entrepreneurs

(b) Arrangement of infrastructure

(c) Tie-up of Guest faculty for the training purposes

(d) Arrangement for inauguration of the programme

(e) Selection of necessary tools, & techniques to select the suitable entrepreneurs.

(f) Formation of Selection Committee for selecting trainees.

(g) Arrangement for publicity media and campaigning for the programme.

(h) Development of application form.

(i) Finalisation of training syllabus.

(j) Pre-potential survey of opportunities available in the given environmental conditions.

3.9.2. Training Phase

The main objective of this phase was to bring desirable change in the behaviour of the trainees. In other words, the purpose of training was to develop 'need for achievement' ie, motivation among the trainees. Accordingly, a trainer should see the following changes in the behaviour of the trainees.[39]

(a) Was he/she attitudinally tuned very much towards his/her proposed project idea?

(b) Was the trainee motivated to plunge into entrepreneurial career and bear risks involved in it?

(c) Was there any perceptible change in his entrepreneurial attitude, outlook, skill, role etc?

(d) How should he/she behave like an entrepreneur?

(e) What kinds of entrepreneurial traits the trainee lacked the most?

(f) Whether the trainee possessed the knowledge of technology, resources and other knowledge related to entrepreneurship?

(g) Does the trainees possessed the required skill in selecting the viable project, mobilizing the required resources at the right time?

Some of the questions listed above also answer the basic underlying assumption in designing a suitable training programme for the potential entrepreneurs. Having trained the trainees, the trainers needed to ask themselves as to how much, and how far the trainees have moved in their entrepreneurial pursuits.

3.9.3. Post-training phase

The ultimate objective of the EDP was to prepare the participants to start their enterprises. This phase, therefore involved assessment to judge how far the objectives of the programme have been achieved. This was called 'follow-up'. Follow-up indicated our past performance; drawbacks, if any, in our past work and suggested guidelines for framing future policies to improve our performance. The purpose behind EDP follow-up was to:

(a) Review the pre-training work;

(b) Review the process of training programme; and

(c) Review post training approach.

Our EDP and other training programs while fulfilling quantitative / statistical target, were found to be wanting the creation of entrepreneurs who actually implement industrial projects.[40] This Lacuna has to be tackled by a three pronged approach.

(i) Identify prospective entrepreneurs (especially the youth with technical / business background) and enabled them by training, advice and escort services to create appropriate enterprises either singly or jointly with similar others for starting relatively bigger projects which had better economics of scale and higher resistance to the forces of competition.

(ii) Create and constantly update a shelf of projects which would have high degree of success within the state and annually revise the project cost each with the concurrence of commercial banks and NABARD so that arbitrary cuts by bank managers an individual application for loans by entrepreneurs would not result in under-funding and the non-survival of the project.

(iii) Revise the content and the effectiveness of the EDP and other training programs including those for Industries Department Personnel. So that entrepreneurs were better prepared to take up these projects in the new sunrise areas and department personnel were fully equipped to give technical and other assistance to prospective entrepreneurs in these thrust sectors.

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A STUDY ON THE EFFECTIVENESS OF ENTREPRENEURIAL DEVELOPMENT PROGRAMMES FOR THE DEVELOPMENT OF SMALL SCALE INDUSTRIES IN KERALA

THESIS
SUBMITTED TO THE UNIVERSITY OF CALICUT FOR THE AWARD OF THE DEGREE OF DOCTOR OF PHILOSOPHY IN COMMERCE

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ENTREPRENEURIAL DEVELOPMENT PROGRAMMES IN KERALA

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CHAPTER - IV

ENTREPRENEURIAL DEVELOPMENT PROGRAMMES

Development of entrepreneurship is an essential pre-requiste for the economic prosperity of a particular region, society or a nation. Education/training and entrepreneurship are highly positively related. It gains premium from the fact that entrepreneurs are made and not born. To a greater extent entrepreneurs are made through education and training. The right type of entrepreneurial training helps to identify and develop the natural, inherent and potential virtues of the human beings which are lying dormant. Hence it was widely accepted that entrepreneurship could be developed through well conceived and well integrated entrepreneurial training programmes. Institutions of higher education have re-oriented themselves by including entrepreneurial development courses in their curriculum. There was a belief that entrepreneurial ventures were inherited. The role of education and training proved the emergence of a greater number of first generation entrepreneurs.[1] This psychology of the government as well as of social reformers have engineered the idea of entrepreneurship development programmes in India[2].

It is proposed in this chapter to study the work done so far in the field of entrepreneurship by various promotional agencies in

Kerala. At present numerous promotional agencies are enthusiastically involved in administering and implementing the programmes of entrepreneurship development in their respective areas. An attempt is being made here to evaluate the progress and operational efficiency of the ongoing programmes in the field of entrepreneurial development in Kerala.

One of the objectives of this research study was to find out the practices of Entrepreneurship Development in Kerala State. Required data for determining the current practices of entrepreneurship development were collected with the help of structured interview schedules. Personal interviews were conducted with the executives and faculties of Training Institutions by personally visiting various training institutions and support systems. Discussions were also made with Management Trainers and Co-ordinators of Entrepreneurial Development Programmes of various Institutions.

The importance of entrepreneurial resource as a crucial input in the process of economic development has not been widely recognized by the researchers and policy makers. EDP was intended to give working knowledge of industrial promotional agencies, project report preparation, general management of SSIs,

besides transforming the prospective entrepreneurs by achievement motivation.

Research studies conducted by individuals and research institutions[3,4,5] have proved that entrepreneurs could be developed by proper selection and Training. Through the EDP, the potential entrepreneurs were imparted the technical and other job specific skills relating to the preparation of the project reports, implementation of the projects after procuring the reports and various inputs required including finance and lastly the Management of the units during the normal period as also abnormal period.

For a long period of time, the EDPs continued to be an urban phenomenon with little attention given to the rural areas. This was because of the fact that the experiment was first tried in cities, where constraints were fewer. It was a fact that potential for entrepreneurship in the rural areas was unlimited, unexploited and lying dormant in all the states. The population in the villages were endowed with a variety of traditional skill, which needed to be properly utilized in a commercial manner to ensure not only an economic independence for them, but also to achieve decentralization of economic power among all the regions of the economy. At present the EDPs were being tried both in the urban

and rural areas with increasing better results coming from the rural areas.[6]

The EDPs promote entrepreneurial qualities, develop confidence in the entrepreneurs to start and successfully run one's own enterprise. An ideal EDP was a package covering initiation (the selection process of potential candidates), development (training inputs) and follow up and support (Post-training support). Each phase having well-thought out input and action plan linking other phases and prevailing support system.[7]

Entrepreneurial development programme (EDP) should be designed to help an individual in strengthening his entrepreneurial motive and in acquiring skills and capabilities necessary for playing his entrepreneurial role effectively. It was necessary to promote this understanding of motives and their impact on entrepreneurial values and behaviour for this purpose. An EDP was based on the belief that individuals could be developed, their out-look could be changed and their ideas could be converted into action through an organized and systematic programme. The comprehensive training package was based on conceptual understanding of the process of entrepreneurship development. There were various stages through which an entrepreneurs had to pass before establishing a new venture. The key decisions concerning product, investment,

location etc. and the corresponding action links could be summarized as in the following table.

Decision Areas		Action Links
To become entrepreneur	-	Motivation and awareness
Product decision	-	Business opportunity study
Investment decision	-	Project formulation
Location decision (infrastructure)	-	Assessing requirements and its availability
Policy decision	-	Establishment of venture
Managerial decision	-	Successful operation of unit[8]

In a workshop organized by the East-west Centre Technology Institute, Hawai, the EDP experiences of various countries were discussed which revealed that training made positive contributions in the performance of entrepreneurs. The supply of entrepreneurship in a society was largely influenced by the presence of individuals with the initiative, foresightedness, organizing and managerial competence. These qualities and skills were not always acquired from the family, rather they could be developed through a proper and effective procedures of selection and training of individuals.[9] The entrepreneurs required a lot of information for

setting up a business and in that context the contribution of EDPs was essentially in the area of disseminating knowledge on financial, technical and managerial aspects. To that extent, these programmes were not basically programmes towards entrepreneurship development, but were in the nature of supportive programmes for the existing and new entrepreneurs.[10]

Training for entrepreneurship goes much beyond mere provision of information to the trainees. The inputs had to be designed to meet the basic objectives which an EDP seeks to fulfill. These could be summarized as:-

(i) Developing the motivation of Potential entrepreneurs;

(ii) Developing their enterprise building skills;

(iii) Helping them to develop their project ideas into bankable projects; and

(iv) Giving them a fair idea about the operational aspects of their enterprises.

EDPs have been designed to identify persons with entrepreneurial abilities and to train them to set up new small/tiny industries (SIDBI Report 1999). SIDO with its Filed offices (institutes and branch institutes) all over the country has been

training entrepreneurs through various programmes for different target groups such as: (i) educated unemployed, (ii) women, (iii) weaker section, (iv) rural artisans, (v) physically handicapped, (vi) students, (vii) defence personnel, (viii) technocrats, (ix) entrepreneurs under self-employment schemes etc. The aim of SIDBI's EDPs is to build and nurture a reservoir of entrepreneurs.

At present, EDP work is undertaken by over 50 different agencies in various states. These include 25 SISIs, 17 TCOs, Nationalised Banks, Management Institutions and Voluntary organizations. Even Universities and colleges are evincing interest in entrepreneurship and are offering optional papers in the subject as part of their regular course curriculum.

4.1. Institutions involved in providing EDPs

Throughout the 1960s, 1970s, 1980s & 1990s there has been a growing awareness of the important social and economic roles of the small business sector and of the importance of entrepreneurship to the growth of the economy. This has been true in both the developed and developing economics of the world. In the developed economies it has been found that the small scale enterprises have provided most of the net new jobs created over the

last decade.[6] Most entrepreneurship development programmes in developing countries arise as a result of manpower development and employment generation.

The first major systematic effort to identify and develop new entrepreneurs in India had begun in the State of Gujarat in 1970. Encouraged by the continued success of EDP activities in Gujarat, a number of official and semi official agencies took up similar EDPs in their respective areas. The entrepreneurship training has generated "Entrepreneurship Revolution" in India in general and zero industry districts and backward areas in particular. There were a number of institutions involved in providing EDPs in India.

4.2. Entrepreneurial Development Programmes at the National Level

4.2.1. Xavier Institute of Social Services – Ranchi

Xavier Institute of Social Services has been training village entrepreneurs since 1974. It offers a six-month programme to tribals with minimal literacy and numeracy skills, involving technical training by placement with local trades people, motivation training, management training, project preparation, follow-up and counselling.

4.2.2. Madhya Pradesh consultancy organization Ltd – M.P.

This technical and management consultancy organization, promoted by All India Financial Institutions and State Corporations undertakes assignments for project planning, detailed engineering, market surveys, management services and EDPs. The EDPs are conducted for 4 target groups: (a) technical graduates, (b) unemployed graduates (general category), (c) SC/ST & others and (d) women.

4.2.3. Calcutta "Y" Self-employment Centre-Calcutta

This centre began as a vocational programme to provide self-employment for educated youths. It has developed innovative approaches to help people set up their own businesses and to reach the much smaller economic activities of rural dwellers. Its target group is youths between 18 and 30 years of age who are currently without regular employment.

4.2.4. Entrepreneurship Development Institute of India (EDII)

EDII, Ahmedabad is an autonomous non-profit institution, set up in 1983 sponsored by financial institutions such as IDBI, IFCI, ICICI, and State Bank of India. The Government of Gujarat has also provided assistance for the setting up of EDII. EDII has

been spearheading an entrepreneurship movement throughout the nation with a belief that entrepreneurs need not necessarily be born; they can be developed through well-conceived and well-directed activities. EDII has supported creation of centres for Entrepreneurship Development and Institutes of Entrepreneurship Development in various states of the country to achieve institutionalization of ED activities.

4.2.5. National Institute for Entrepreneurship & Small Business Development (NIESBUD)

NIESBUD was set up in 1983 by the Ministry of Industry, Govt. of India as an apex body for co-ordinating and over seeing the activities of various institutions/agencies engaged in entrepreneurship development especially in the area of Small Scale Industry. NIESBUD is involved in conducting training programmes for trainees and entrepreneurs, preparing model syllabi for training various target groups, undertaking research / documentation, conducting seminars and developing training as well as teaching aids. The Institute acts as a nodal agency in the field of entrepreneurship for small business and organizes about 29 national and 61 International training programmes every year. (SIDBI Report on SSI Sector, 1999).

4.2.6. Centre for Entrepreneurship Development CED, Gujarat

The Gujarat Government established CED in 1979. Gujarat EDP is the oldest and the largest operating programme in India. CED was the first specialized institute of its kind in the country, exclusively devoted to the task of entrepreneurship development. During the past 20 years, over 12,000 persons were trained by the centre out of which nearly half of them have set up their own units.[11] Recognising the need for creating entrepreneurship among women, CED initiated EDP for women in 1980.

4.2.7. National Institute of Small Industry Extension Training (NISIET) Hyderabad

NISIET is engaged in Training, Research and consultancy activities for the development of small industry. Training programmes of NISIET were oriented towards transfer of skills for small industry development in both India and other developing countries. NISIET is an autonomous body functioning under the purview of Ministry of Industry.

4.2.8. Small Industry Service Institute (SISI)

SISI is a premier organization established by Government of India soon after independence. The Institute offers vast variety of services like conduct of market survey, technology demonstration,

preparation of techno – economic feasibility reports, marketing of products, product standardization, management consultancy, training etc. to potential and existing entrepreneurs.

4.2.9. SBI's Programmes

The State Bank of India formulated an elaborate plan to conduct the EDPs particularly in the backward areas and started conducting such programmes since 1978. As per the Bank's model, the EDPs consist of one month's intensive training in Behavioural Sciences, aspects of Management and field training. During this period, the entire cost of boarding and lodging was borne by the Bank. SBI's EDP starts with Achievement Motivation. Training (AMT) followed by Technical and Managerial inputs for starting and running industrial units and visits to a few running units. There was provision for follow-up meetings, organized by the Bank for about one-and-a-half to two years. The bank provided liberal financial assistance to the candidates trained under the programme. Entrepreneurship Development cells have been functioning at all the Local Head Offices of the Bank.

4.2.10. Technical Consultancy Organisations (TCOs)

Access to high quality consultancy services improves the operational efficiency of entrepreneurs. All India financial

institutions have set up 17 TCOs to provide industrial consultancy and training to entrepreneurs. These organizations provide a comprehensive package of services to small entrepreneurs. In the field of training, TCOs identify potential entrepreneurs, train them and render post-training counselling and guidance in selecting projects, preparing project profiles and establishing their own units.

4.2.11. Rural Development and Self-Employment Training Institute (RUDSET)

This is an organization jointly sponsored by Canara bank, Syndicate bank & Sri Dharmasthala Manjunatheswara Education Trust. The objective of RUDSET is economic upliftment through the promotion of entrepreneurship in the youth between the age group of 18 and 35. They assist the trainees in preparing project reports and in securing financial assistance from banks.

4.2.12. Science and Technology Entrepreneurship Development (STED)

Science & Technology Entrepreneurship Development Project, popularly known as STED, is an autonomous organization under the Department of Science & Technology, Govt. of India. The prime objective of STED is entrepreneurial development and employment generation through science & technology inputs.

4.3. EDPs in Kerala

In the state, during 1993-94, 465 prospective entrepreneurs were trained and 7 units were started. During 1994-95, 392 prospective entrepreneurs were trained under EDP while 30 persons trained under the programme had started new SSI units. During 1995-96, the total number of entrepreneurs trained were 1665 and the number of new units started were 68.53%. In 1996-97, the number of entrepreneurs trained were 1210 but only 7.02% could start new units and in 1997-98, 596 prospective entrepreneurs were trained 9.40% launched new units. In 1998-99, the number of trainees rose to 3034, but only 2.27% could start new units.

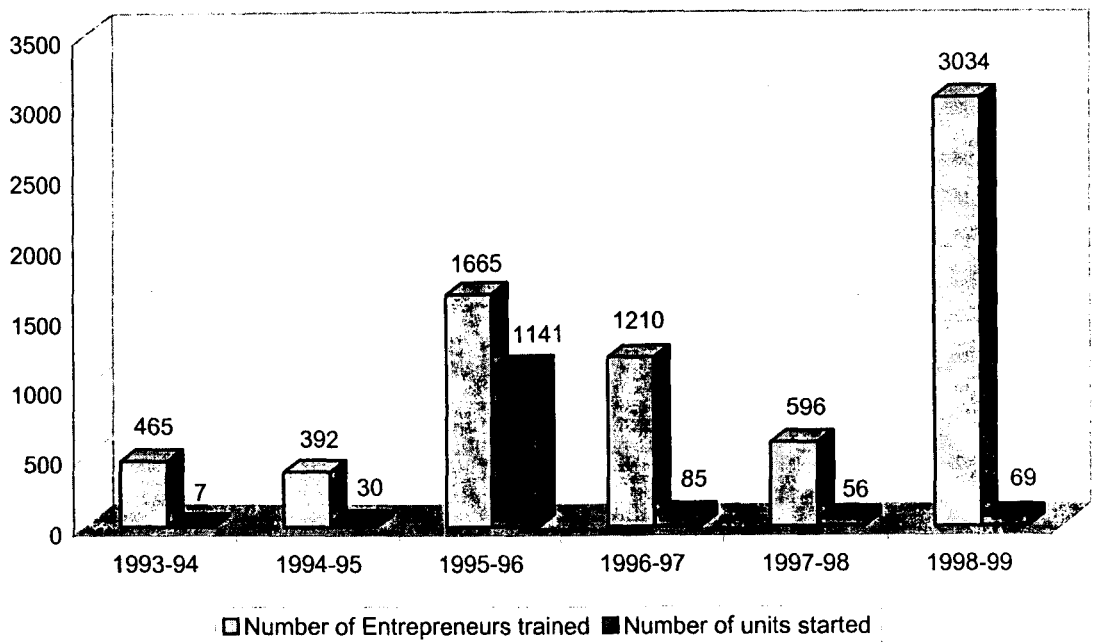
Table: 4.1

Year-wise details of entrepreneurship Development Programmes in Kerala

Year	Number of Entrepreneurs trained	Number of units started	Percentage of units started to total trainees
1993-94	465	7	1.51
1994-95	392	30	7.65
1995-96	1665	1141	68.53
1996-97	1210	85	7.02
1997-98	596	56	9.40
1998-99	3034	69	2.27

Source: Directorate of Industries & Commerce, Thiruvananthapuram

Fig. 4.1
Year-wise details of entrepreneurship Development Programmes in Kerala



4.4. Organisations involved in EDPs in Kerala

Important organizations involved in offering entrepreneurship training in the state have been categorized as under:-

1. Centre for Management Development, Thiruvananthapuram (2) Kerala Industrial and Technical Consultancy Organisation Ltd (KITCO) Cochin, (3) SISI, Thrissur, (4) District Industries Centres of all Districts, (5) STED Projects in all Districts, (6) Entrepreneurship Development cell of Regional Engineering College, Calicut, (7) Common Facility Service Centres at Changnacherry and Payyanad, Manjeri and (8) Small

Entrepreneurship Promotion Training Institute (SEPTI), Thiruvalla. In addition to these, some institutions provided EDP for a short period and some institutions started providing EDP recently. Among these include Institute of management in Government (IMG), Thiruvananthapuram and its Regional Centres provided some EDPs, Kerala State productivity council, Kalamassery also provided some EDPs, but they are not conducting EDPs now. Centre for Electronics Design and Technology of India (CEDTI), Calicut, Kerala State Women Development Corporation, Centre for Development, Thamarasseri, Calicut, a Non-government Organisation etc. have started providing EDPs recently. Nationalised banks like SBI & SBT are not providing EDPs now and State Bank of Travancore conducts Entrepreneurship Awareness Programes to students.

4.5. Institutions included in the present study

Since this is an all Kerala study, it concentrated on those institutions which are conducting EDPs in different parts of Kerala and those in which potential entrepreneurs from different parts of the state are participating. The pilot study revealed that some institutions were conducting EDPs in some sector-specific areas, in some institutions, only local participants have been joining for EDP, some production centres which were conducting EDPs were

closed, and some institutions stopped EDPs and are now concentrating on other areas of Development. Institutions like CEDTI and Kerala State Women Development Corporation have started EDP in 1999 and 2000 respectively. It was not proper to assess their training programmes within such a short period. Therefore these institutions were excluded from the scope of the present study. Hence this study was mainly confined to training programmes of centre for Management Development (CMD), Kerala Industrial Technical Consultancy Organisation (KITCO), Small Industries Service Institute (SISI), Science & Technology Entrepreneurship Development (STED) & District Industries centres which have been conducting EDPs in different districts of the state and Entrepreneurship Development cell of Regional Engineering College, where participants from different districts were attending EDPs.

4.6. Objectives of Institutions

Institutions were asked about their objectives with the purpose of knowing whether they give core importance to EDPs. The main objective of some institutions was the development of entrepreneurship to promote small scale industries where as some institutions were conducting EDPs as one of the training programmes they were conducting.

4.6.1. Centre for Management Development (CMD)

The centre for Management Development (CMD), Thiruvananthapuram established in 1979 under Act XII of "The travancore Cochin Literary, Scientific and Charitable Societies Registration Act, 1955". The principal activities of the centre were entrepreneurship training for small businesses; management training for personnel working in industry, government and NGOs; Research studies; and advisory services for developing projects. These activities spanned across six major areas viz., agribusiness; cooperatives and non-governmental organizations; corporate enterprises; development agencies; natural resources management; and small businesses. Since 1983, the centre has been involved in conducting EDPs with the sponsorship of governmental agencies and public institutions such as IDBI and SIDBI. In a year, CMD trains about 500 persons through its EDPs, and they covered different target groups and sectors of economic activities. Management Training Programmes for existing entrepreneurs, Trainer's training Programmes, workshop for women entrepreneurs and special development programmes for the promotion of SSI units were other activities undertaken by the centre.

Table: .4.2

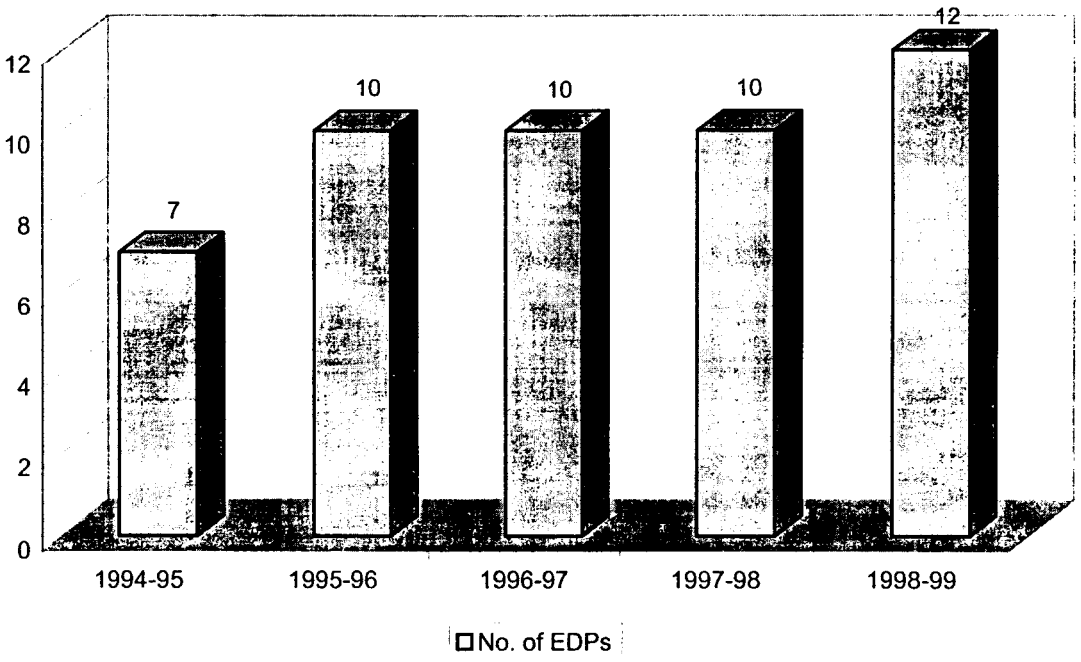
EDPs Conducted by CMD, Thiruvananthapuram

Year	No. of EDPs	No. of trainees
1994-95	7	176
1995-96	10	254
1996-97	10	230
1997-98	10	236
1998-99	12	339

Source: Survey data

Fig. 4.2

EDPs Conducted by CMD, Thiruvananthapuram



4.6.2. Small Industries Service Institute (SISI)

Small Industries Service Institute (SISI), Thrissur is a field level agency of Small Industries Development Organisation (SIDO) to take care of the needs of the small scale sector in the state of

Kerala in the area of Techno-economic and managerial consultancy services. SISI, Thrissur started in 1956 is one of the field level agencies of SIDO and is the only one of its kind in Kerala. The SISI Thrissur with its 3 extension centers at Calicut, Shornur and Alleppey and a nucleus cell for Lakshadweep, caters to the various needs of existing and prospective entrepreneurs of Kerala State and Union Territory of Lakshadweep. Apart from offering various consultancy services, this institute also offers various technical and management training programmes for the benefit of prospective/existing entrepreneurs. SISI offers a wide variety of consultancy services as well as training programmes for the promotion and development of small scale industries. The major services in brief were project assistance, which included identification of projects and preparation of project report, Modernisation and Technology upgradation, sick unit revival programme, Ancillary Development Programme, Training Programmes which consisted of Management Development courses Training for PMRY beneficiaries & EDPs. In addition to these SISI conducted Skill Development Training Programmes, Managerial Assistance/Export Assistance, Economic Research Information Services which include District Industrial Potential Surveys, Market Potential Surveys Govt. Policies and Programmes, Incentives and facilities available, Energy conservation studies, Pollution Control

Studies, Motivation campaigns & Quality awareness/upgradation Programmes.

Table: 4.3

Details of EDPs conducted by SISI

Year	No. of EDPs	No. of Persons trained
1993-94	14	310
1994-95	4	68
1995-96	4	105
1996-97	6	132
1997-98	8	216
1998-99	15	430

Source: Survey data

Fig. 4.3

Details of EDPs conducted by SISI

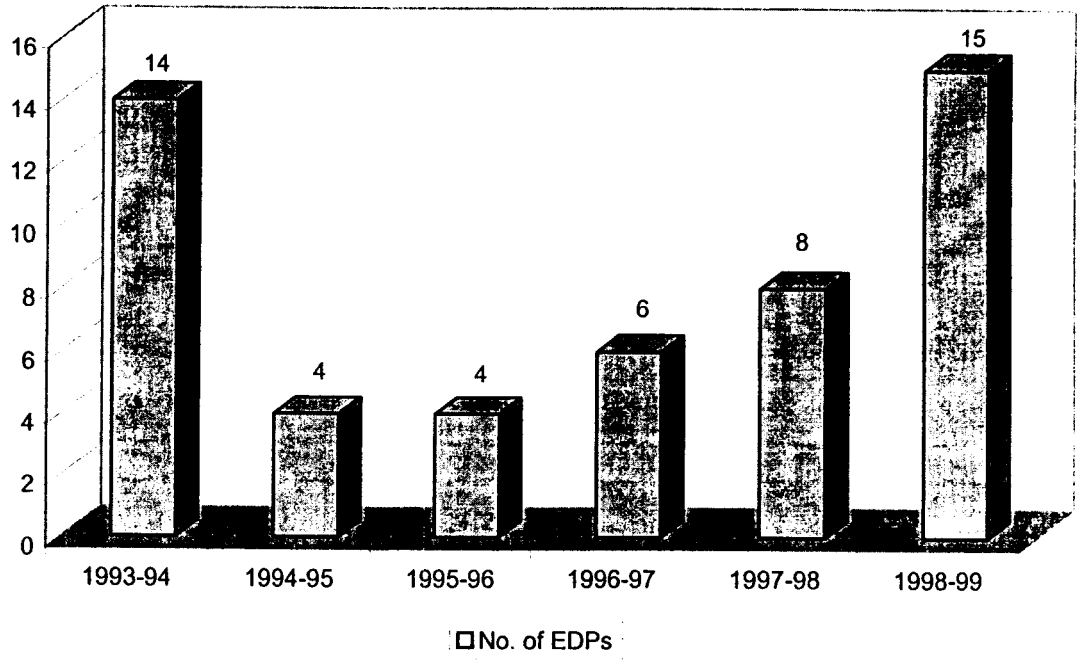


Table: 4.4

Small Industries Service Institute (SISI) –Achievement during 1998-99

Sl.No. Achievement	Nature of Activity	Unit	
1.	2	3	4
1	Units visited for providing technical assistance	(No.)	427
2	Visitors rendered assistance at SISI premises	"	
	a. Assistance to Prospective entrepreneurs	"	3414
	b. Assistance to existing entrepreneurs	"	424
	c. Management and Marketing Related Assistance	"	58
3	Preparation of State Profile	"	1(State Profile of Kerala revised
4	Preparation of Industrial Potential survey report	No. of Districts	3 (Tvpm, Mlpm & Kannur)
5	Project Profiles	No	40
6	Ancillary Development Programmes	"	233
7	Motivation campaigns	"	3
8	EDPs – 4/6 weeks duration		
	i. Courses undertaken	No.	13
	ii. Persons trained	"	1121
9	Management Development Programmes		
	i. Courses undertaken	No.	13
	ii. Persons trained	No.	276
10	Common Facility Workshop/Lab performance		
	i. Training (including skill dev elopement programme)	No.	27
	ii. Persons trained	"	290
	iii. Jobs undertaken	"	409
	iv. Units benefited	"	138
	v. Revenue (from common facility workshops, course fee and sale proceeds)	Rs.lakhs	7.58
11	Export Promotion (Export Assistance/Training)	No.	101
12	Packing (Persons trained)	"	39

Source:- SISI, Thrissur

4.6.3. Kerala Industrial and Technical Consultancy Organisation (KITCO)

KITCO, a premier consultancy organization in the public sector established by IDBI, IFCI, ICICI, banks & Govt. of Kerala, made its mark in entrepreneurship and human resources development. Since inception in 1972, KITCO has conducted more than 1200 training programmes such as EDP, Technology Clinic (TC), Technology Transfer (TT), Entrepreneurship Awareness programme (EAP) Management Development Programme (MDP), PMRY Training Programme and Skill Development Training. More than 200 EDPs were to the credit of KITCO giving an insight into the industrial activities to more than 6000 youth comprising 20% women. It has completed Industrial Potential Surveys of all the 14 districts of Kerala. KITCO has prepared more than 2000 project reports covering a vide spectrum of industries in small, medium and large scale sectors. It has carried out pre-investment studies market surveys and techno-economic research studies for different industrial products and activities. The programmes were sponsored by Directorate of Industries and Commerce, Govt. of Kerala, National level financial institutions, commercial banks and Department of Science & Technology. KITCO Data Bank is a store house of information for entrepreneurs, business community and other engaged in industrial promotion.

Table: 4.5

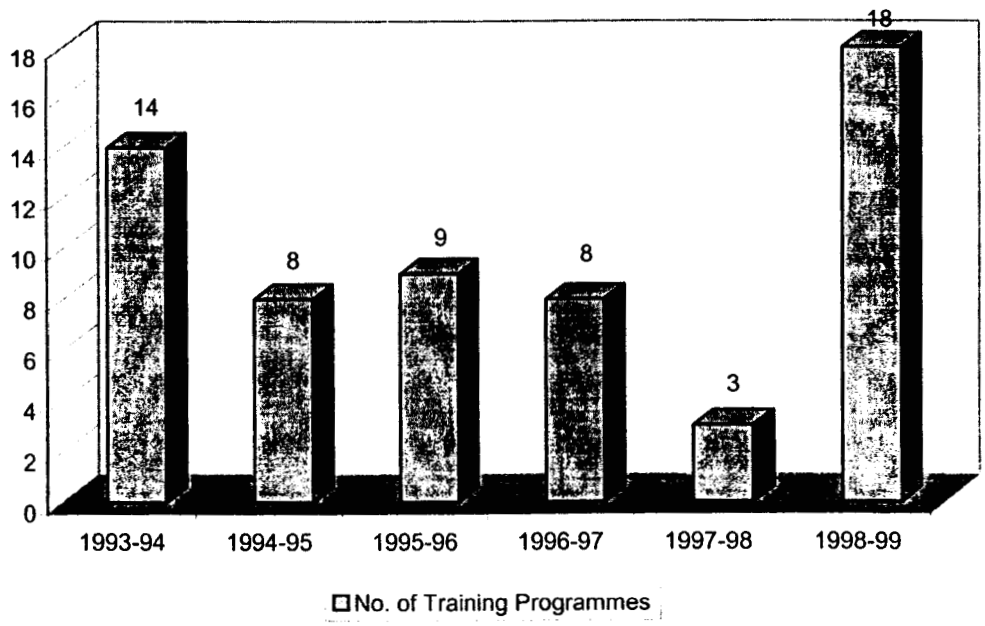
No. of EDPs conducted by KITCO from 1990-91

Year	No. of Training Programmes	Total No. of Entrepreneurs trained
1990-91	21	527
1991-92	20	474
1992-93	19	493
1993-94	14	350
1994-95	8	205
1995-96	9	166
1996-97	8	251
1997-98	3	93
1998-99	18	540
1999-2000	10	250

Source: Survey data

Fig. 4.4

No. of EDPs conducted by KITCO from 1990-91



Department of Science and Technology, Govt. of India established the National Science and Technology Entrepreneurship Development Board (NSTEDB) in 1982 in order to generate employment opportunities among S & T personnel in the country. With this aim the NSTEDB has started.

(1) Science & Technology Entrepreneurship Development (STED) projects in 13 states.

(2) S & T Entrepreneurship Parks (STEP)

(3) Entrepreneurship development Cells (EDC)

4.6.4. Science & Technology Entrepreneurship Development (STED)

STED project, Kozhikode is one among the 13 projects initiated by NSTEDB in 1985. STED project is actively involved in Entrepreneurship Development and Technology dissemination. They have supported the establishment of large, Medium & Small Scale Industries in various sectors. A number of Entrepreneurship Awareness Programmes (EAPs), Management Development Programmes (MDPs), EDPs, Technology Clinics (TCs) etc. were conducted in association with various Govt. Departments and Quasi-government agencies. From 1992 onwards through Mission for Employment Generation Through Scientific Technology

(MEGSAT) programmes, they have been able to create sustainable employment opportunities for 8500 unemployed youths throughout Kerala.

The primary objectives of STED projects are:-

- Sustainable employment generation through S & T inputs;
- Creating Entrepreneurship awareness among people, especially among S & T persons;
- Identifying and motivating Potential Entrepreneurs especially S & T persons;
- Collecting and compiling information and data on resources;
- Providing product and project ideas to potential entrepreneurs;
- Preparing detailed project reports etc.

Table: 4.6

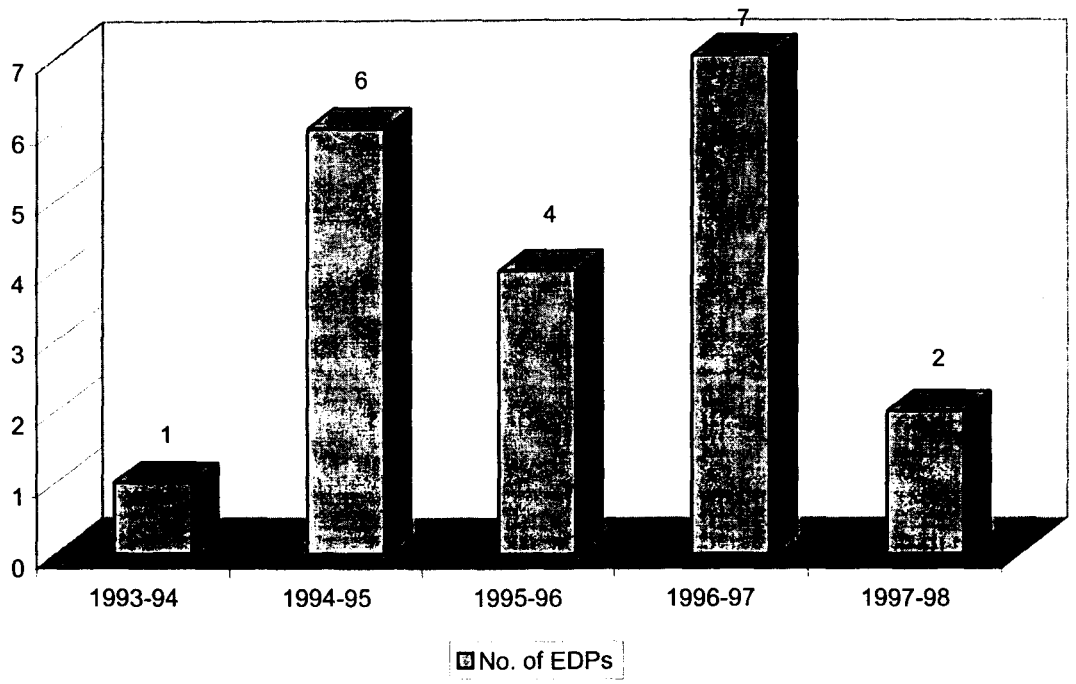
EDPs conducted by STED

Year	No. of EDPs	No. of Participants
1993-94	1	30
1994-95	6	177
1995-96	4	115
1996-97	7	155
1997-98	2	74
Total	20	551

Source: Survey data

Fig. 4.5

EDPs conducted by STED



4.6.5. Entrepreneurship Development Cell, REC, Calicut

With an objective of identification of Potential entrepreneurs and provision of proper motivation and training, the Govt. of India has promoted different agencies to conduct EDP and also set up Entrepreneurship Development Cells (EDCs) in some selected educational institutions. An Entrepreneurship Development Cell (EDC) is functioning at the Regional Engineering College, Calicut with the assistance of the Ministry of S & T, Govt. of India.

The main objectives of the cell are:-

- Create an entrepreneurship culture among the S & T students and graduates in this region;

- Organise Entrepreneurship Awareness camps and EDPs.
- Project the importance of Entrepreneurship in curriculum of the Engineering courses;
- Conduct research work and survey for identifying entrepreneurial opportunities;
- Guide the prospective entrepreneurs in obtaining their project approvals, bank loans and support facilities etc.

The EDC is conducting EDPs once or twice in a year. These programmes provide the prospective entrepreneurs the necessary training in the areas of Small Scale Industry Management, Marketing and Finance Management.

Table: 4.7

Performance of EDPs by EDC, REC

Year	Persons Trained	Units Setup	Employment Generated
1999-91	26	7	33
1991-92	23	4	25
1992-93	29	7	33
1993-94	23	7	27
1994-95	17	4	13
1995-96	23	8	30
1996-97	14	3	8
1998-99	15	5	18

Source: Survey data

The Government established industrial centres at the head quarters of every district, with intention to render all services and

facilities to small scale industrial units. This office is known as District Industries Centre. The activities of DIC included. Identification of Entrepreneurs, helped them in selection of projects, provides provisional Registration, provided subsidy & providing EDPs.

4.7. Limitations

Despite a variety of programmes for diverse target groups, in most countries, these were not adequately documented and evaluated. An adequate mechanism to monitor the programmes was missing, and therefore, data on how many units were setup, expected to start and among those which have started, how many were successful, what was their profile were not available[8]. Final performance analysis of the enterprises was an important test of any EDP. Whatever the quality of selection or training, if the units did not survive long enough to face the environment, something was wrong somewhere in effort and it was in this critical area that most EDP organizations were silent. No judgement therefore could be passed on the effectiveness of their target groups, selection methods, training inputs, follow-up, support system etc. However an attempt was made here to study the practices of providing EDPs by ED Organisations. Among the six institutions studied here, one prominent institution insisted that it should not be compared with

other institutions. Hence care is taken not to specify the names of organizations while showing the results.

4.8. Period of Involvement

The period from which E.D. Organisation involved themselves in entrepreneurship promotion is shown in Table 4.8.

Table 4.8

Year of starting EDPs by Institutions

Period	Institution
1970's	DIC, KITCO, SISI
1980's	CMD, REC
1990's	STED

Source: Survey data

4.9. Number of EDPs conducted

Number of EDPs conducted and persons trained from 1994-95 to 1998-99 is given below.

Table 4.9

Distribution of ED organizations according to No. of EDPs offered

Institution	No. of EDPs conducted from 3/94 – 3/99
SISI	37
STED	21
KITCO	46
DIC	10
REC	4
CMD	49
Total	167

Source: Survey data

Table 4.10

No. of EDPs and persons trained from 1994-95 to 1998-99

Year		SISI	STED	KITCO	DIC	REC	CMD	Total
1994-95	EDPs	4	6	8	2	1	7	28
	Participants	68	207	205	30	17	176	703
1995-96	EDPs	4	4	9	2	1	10	30
	Participants	105	115	166	60	23	254	723
1996-97	EDPs	6	7	8	2	1	10	34
	Participants	132	155	251	30	14	230	812
1997-98	EDPs	8	2	3	2	Nil	10	25
	Participants	216	74	93	25	Nil	236	644
1998-99	EDPs	15	2	18	2	1	12	50
	Participants	430	50	540	60	15	339	1434
Total	EDPs	37	21	46	10	4	49	167
	Participants	951	601	1255	205	69	1235	4316

Source: Survey data

Fig. 4.6

No. of EDPs and persons trained during 1994-95

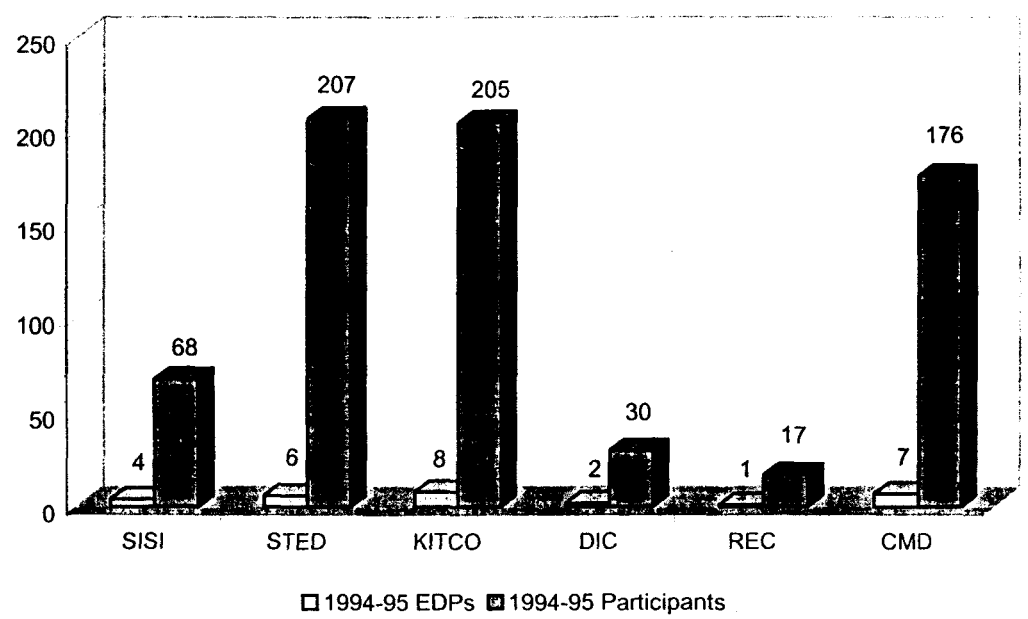


Fig. 4.7

No. of EDPs and persons trained during 1995-96

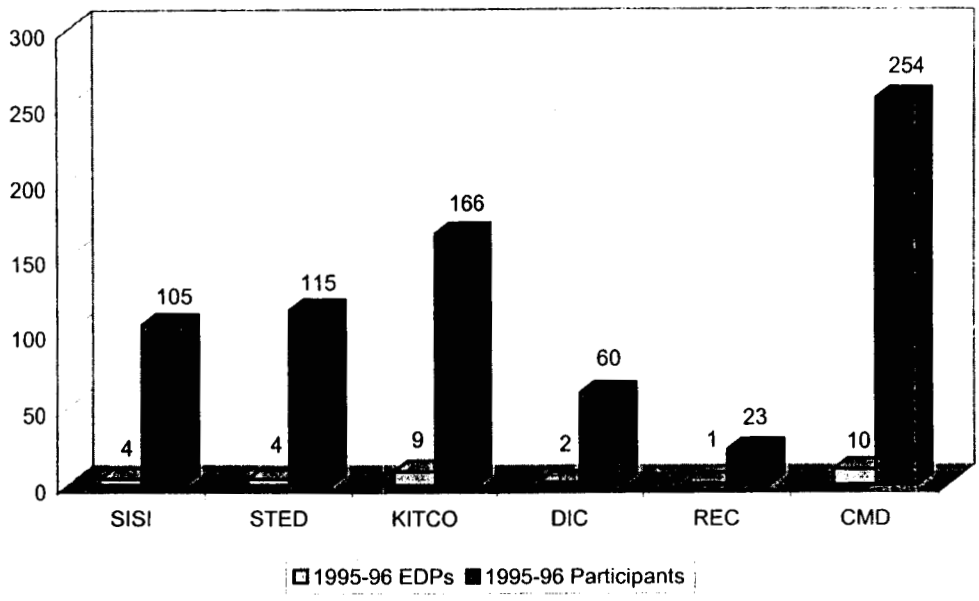


Fig4.8

No. of EDPs and persons trained during 1996-97

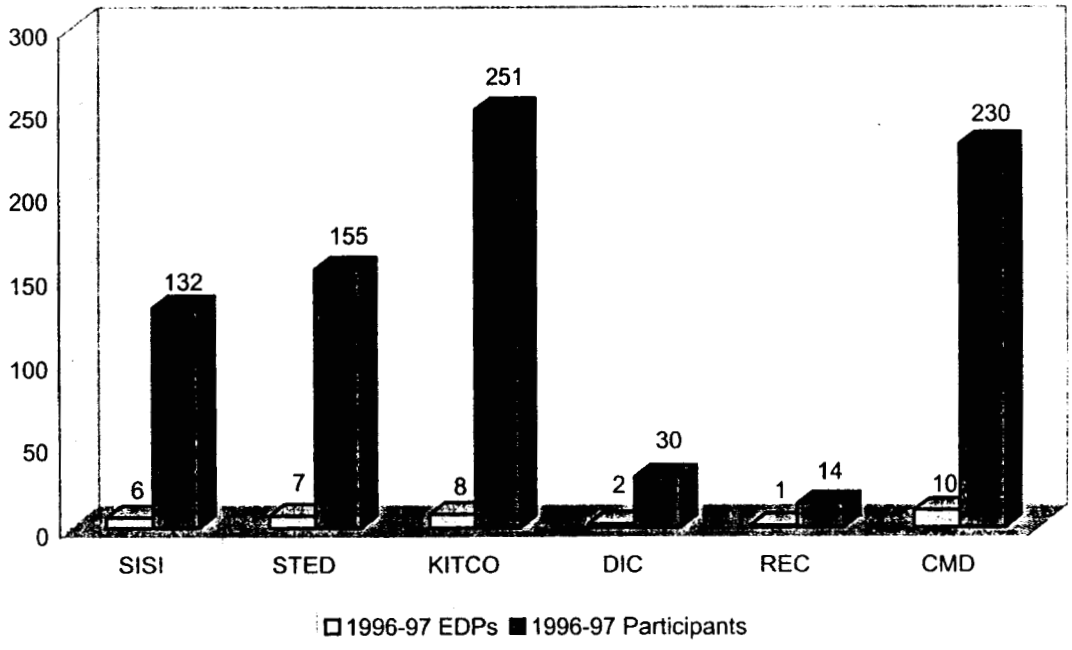


Fig. 4.9

No. of EDPs and persons trained during 1997-98

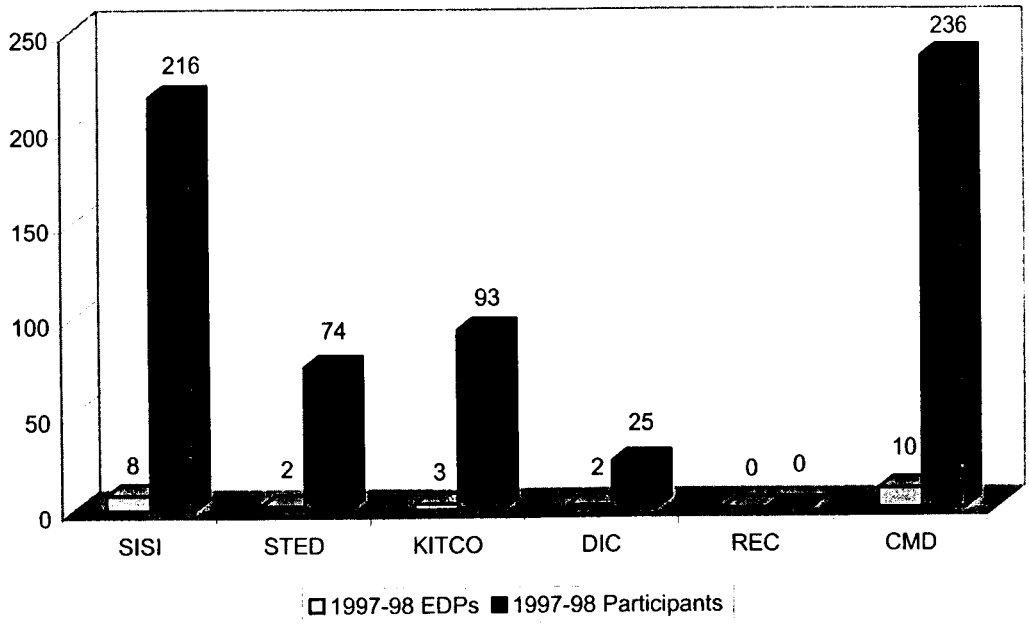
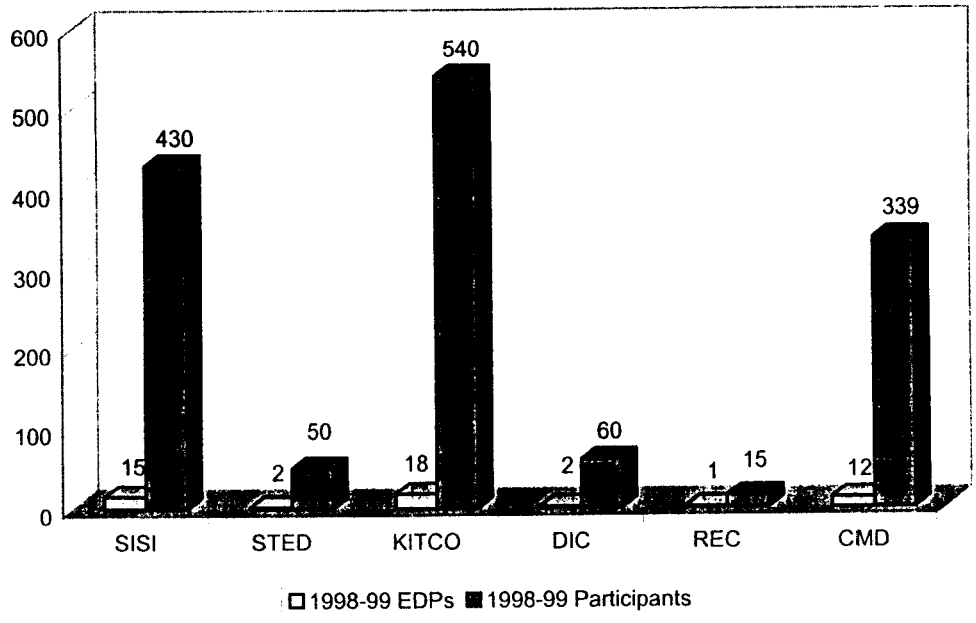


Fig. 4.10

No. of EDPs and persons trained during 1998-99



4.10. Pre-training Activities

One of the important factors in the success of an EDP was considered to be the pre-training work done by the training organisation. Pre-training phase in an EDP consisted of activities which was undertaken by Training Institutuions before starting an EDP – Generally training programmes were made known to the public through various media like newspapers & Radio; publicity through supporting organizations, visits by programme co-ordinator to various supporting organizations etc. It was therefore decided to identify various activities involved in pre-training promotional work and the extent to which such activities were carried out by Training Organisations.

Programme announcement in News papers was the common method adopted by all the Institutions. Usually, one month before the programme, they advertised in News papers. The advertisement highlighted the programme objectives, Duration, specialisation (General/Sector specific), target group, course contents, supporting agencies, proposed number of participants, fees charged it any, eligibility criteria etc. Advertisement was given in News papers Local edition/whole state/area where training was conducted depending on the institution. Out of 6, one institution was not using Radio as a means of publicity. All other institutions resorted to

Radio announcements but it was not found to be effective among EDP beneficiaries.

Visits to supporting organisations by programme co-ordinator was another pre-training activity. 5 E.D.organisations had reported to have undertaken such activity. This activity was carried out with the twin objectives of generating awareness about the programme and seeking co-operation from such organisations.

4 institutions reported that they had requested the supporting institution to give publicity to the programmes. Such publicity was usually done by supporting institutions by way of notifying the programme brochures and circulating them among officers and staff who matter in such work. Brochures on the programme would also be distributed to local businessman and individuals interested in going into business. Identification of viable project ideas and arranging infrastructures for smooth conduct of EDPs were also required to be taken before starting an EDP.

4.11. Target Groups

Separate EDPs for different target groups were required to be conducted by training organisations across the country. Such suggestions also came from EDP beneficiaries. In fact, some of the

EDP trainees suggested different package of programme inputs (within the same target group) to trainees with substantial difference in the level of investment. All the institutions, under study, were conducting EDPs for the general category. Besides they were providing training to women, SC/ST, Engineers/Technical, Ex-servicemen etc. In the present study, responses were received from General, Engineering and women target groups.

4.12. Selection Procedure

Selection was introduced for two reasons.

(i) It was neither practical nor desirable for every one to aspire to be entrepreneurs and so development should be directed towards those most likely to become interested and pursue the career. (ii) There might not be sufficient resources to develop all those who desired to become entrepreneurs; therefore the resources should be spent on those most likely to succeed. The assumption was made that it was possible to identify those with the most potential to become entrepreneurs and to create businesses. Although selection techniques could certainly improve the results to an entrepreneur training scheme, it was not always true that those who did not pass the selection test cannot become entrepreneurs.[9] From the selection procedures published by some E.D.

organisations, it was found that selection procedures consists of written test and interviews. (Xavier Institute of Social Services, Ranchi). The interview aims to reveal: (a) Personal and family background; (b) past technical or business experience or exposure; (c) the reasons why the candidate wants to become an entrepreneur; (d) the clarity of his objective and determination with which he wanted to pursue it; (e) whether he had family support, including financial assistance; (f) to what extent he has been associated with development activities in his local community; and (g) his academic background. The selection of potential entrepreneurs was made on the basis of measuring business propensity, business mentality and business habits. (Bangladesh Management Development Centre, Dacca).

An important aspect of his study was to find out the present practices of selection of entrepreneurs to training programmes. Interaction with training institutions revealed that selection mechanism was needed for elimination purpose as well as for identification of persons with entrepreneurial traits. Training institutions were asked to mark the preferential weightage regarding the selection procedure.

Table 4.11

Selection Criteria of Participants

Basis of selection	CMD	DIC	KITCO	NIC	SISI	STED	Total
Business Background	8 (40.00)	2 (10.00)	-	5 (25.00)	5 (25.00)	2 (10.00)	22 (18.33)
Qualification	1 (5.00)	3 (15.00)	-	5 (25.00)	5 (25.00)	3 (15.00)	17 (14.16)
Aptitude/Business interests	3 (15.00)	10 (50.00)	10 (50.00)	5 (25.00)	10 (50.00)	10 (50.00)	48 (40.00)
Project idea	8 (40.00)	5 (25.00)	10 (50.00)	5 (25.00)	-	5 (25.00)	33 (27.5)
Total	20 (100.00)	20 (100.00)	20 (100.0)	20 (100.00)	20 (100.00)	20 (100.00)	120 (100.00)

Source: Survey data

Training institutions told that it was not the financial/business back ground of the candidate which mattered rather it was his/her aptitude and project idea which was given maximum weightage.

Selection of potential entrepreneurs for an EDP, if done scientifically and systematically could ensure better results in the setting up of units and their successful running later on. Since the main objectives of EDP were to identify, motivate and develop new entrepreneurs, the initial care taken in selecting them not only helped in yielding better results but also in understanding the expectations and training input needs of the selected entrepreneurs.

4.13. Expenditure on EDPs

It was found that all E.D organizations under study provided fulltime non-residential EDPs. Duration of the training programme varied between three months to one week. CMD, DIC, KITCO and STED were not charging any fees for training while SISI and REC were charging fees ranging between Rs.400-600. At present EDPs were being financed by IDBI and respective state Governments and state level financial institutions. Average intake for each programme of REC was 15-20, of DICs, SISI & KITCO were 30-35 and of CMD & STED were 25-30.

An attempt was made to find out the amount of money spent on EDPs by various institutions. Information relating to the amount spent per EDP by ED organisations are given below.

Table 4.12

Expenditure on EDPs

Range of Expenditure	Organizations
< Rs.20,000	SISI, DIC
Rs. 20,000 – 40,000	STED, KITCO
Rs. 40,000 – 60,000	-
Rs. 60,000 – 80,000	CMD, REC
Rs.80,000 – 1,00,000	-
> Rs.1,00,000	-
Total	6

Source: Survey data

There was much variation in the expenditure incurred by ED organisations. The expenditure involved in conducting EDPs of SISI and DIC came to less than Rs.20,000, by STED and KITCO Rs.20,000 to 40,000 while CMD and REC incurred expenditure between Rs.60,000 to 80,000.

In a study, expenditure incurred on EDPs by various organizations was compared with duration of the programme and facilities provided to participants. No relationship could be established between programme duration, facilities provided and the amount spent on conduct of EDPs.[12] There were instance where an organization spent less money and provided free boarding and lodging to participants.

According to one estimate the cost of one programme was stated to be Rs.80,000, out of which Rs.60,000 were to be spent on course material, faculty expenses, product identification, preparation of project profiles, monitoring and counselling.[13]

4.14. Faculty

Faculty of EDP consisted of Academicians, Technical/ Professionals and Government officials. Training Organisations were asked about the constitution of faculties. The percentages of each constituent were given below.

Table 4.13

Constitution of Faculties

	CMD	DIC	KITCO	REC	SISI	STED	Total
Academicians	30	25	20	40	20	-	135 (22.5)
Technical/Professional	50	50	60	40	70	70	340 (56.67)
Govt. officials	20	25	20	20	10	30	125 (20.83)

Source: Survey data

More than 50% faculties were Technical/Professionals, 22.5% were Academicians and 20.83% were Government officials. Faculty consists of faculty of training organisation and faculty from outside. The ratio of programme inputs provided by Training organisations own faculty and guest faculty could reflect the extent of expertise available with Institutions. With a view to measure this extent of availability of expertise, the training institutions were asked to mention the ratio of inputs provided by own experts and outside experts.

Table 4.14

Ratio of own faculty & outside faculty

	CMD	DIC	KITCO	REC	SISI	STED	Total
Own faculty	30	25	60	60	75	75	305 (50.83)
Outside faculty	70	75	40	40	25	25	295 (49.17)

Source: Survey data

Table 4.14 shows that those training organizations which promoted technical entrepreneurs had more technically qualified

faculties. In KITCO, REC, STED & SISI, own faculties were more than guest faculties. When own faculty was more, expenses of EDP could be reduced.

4.15. Contents of EDP syllabus

The objective of the programme of training in entrepreneurship development was to develop motivation of potential entrepreneurs, helped them in taking up suitable enterprises and activities, enabled them to prepare economically viable and technically feasible project reports and enhance their enterprise-building skills.[14] The objective of these inputs was 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. With a view to ascertain the core inputs in EDPs the training organisations were asked to indicate the inputs which they considered most important in, EDPs which they had organised. They were asked to allot 100 points according to their importance and their responses are given in Table 4.15.

Table 4.15

Core inputs provided by Institutions

Inputs	CMD	DIC	KITCO	REC	SISI	STED	Total
Achievement Motivation	10	10	10	20	10	15	75 (12.5)
Project Identification	10	10	5	20	-	40	85 (14.17)
Production Management	-	5	-	-	50	-	55 (9.17)
Project Report Preparation	15	5	20	10	-	10	60 (10.00)
Exposure to support system	5	10	5	-	5	-	25 (4.17)
Market survey and market study	30	10	15	20	5	10	90 (15.00)
Industrial visits	-	10	5	10	5	10	35 (5.83)
Labour laws	-	5	5	-	5	5	15 (2.5)
Marketing and sales promotion	10	5	15	10	5	-	45 (7.5)
Interaction with successful entrepreneurs	5	10	5	-	5	-	30 (5.0)
Financial and working capital management	5	-	5	-	5	5	20 (3.33)
General awareness about planning, establishing and Managing SSI	10	20	10	10	5	5	65 (10.83)
Total	100	100	100	100	100	100	600.00

Source: Survey data

The purpose of Achievement-motivation training was to develop the need to achieve, risk taking, initiative and other such behavioural/psychological traits. A motivation development programme creates self-awareness and self-confidence among the participants and enabled them to think positively and realistically.

Without achievement motivation training, an EDP would become an ordinary executive development programme. Motivation training initiates people to business activity or helped them to expand their business ventures. They learnt to strive for excellence, to take calculated risk, to use feedback for improvement etc. Usually training organisations conduct Achievement-motivation classes on the first day of EDP. The Low start-up rates of entrepreneurs clearly indicated that these classes were not much effective in these Institutions, though they had given importance to this input (12.5%). Among the ED Institutions REC had given more important to AMT followed by STED.

The very foundation of an entreprise was the project. The success/failure of an enterprise depended on the project. Project Identification was a difficult task faced by an entrepreneur. Many of the trainees did not even have vague idea about the type of ventures which they wanted to start. In such cases the experts tried to suggest small projects based on their knowledge and expertise. STED project gave thrust for project identification in EDP training through presentations, group discussions and individual and group counselling. They gave maximum points for this input. REC also gave importance to project identification.

A project Report enabled the entrepreneur to know how much money, man-power and material would be required to set up the project, type of machine, and technology required, and the economic gain from the project. Experience in developing entrepreneurs had shown that a well perceived, well made project report by the entrepreneur himself was helpful to him while running the industry.[13] Project reports were insisted by financial institutions for granting loans to entrepreneurs while most of the organisations expected their trainees to prepare project reports of their proposed ventures on their own, there were a few who felt that project formulation skill could be developed amongst trainees during short period of training and they needed to be assisted in preparation of business plans. Most of the training institutions not only provided classes on project report preparation, but also helped their trainees in preparation of project report. Some trainees were of the opinion that, though they could not successfully launch a business unit, they were preparing project reports for untrained entrepreneurs.

Training needed to include information about support systems. The participants had to be exposed to agencies like the local banks and other financial institutions, industrial service corporations and other institutions dealing with supply of raw materials, equipment etc. In the session on support systems, the procedures for approaching them, applying and obtaining assistance

from them and availing of the services provided by them were explained. These informations were usually provided by experts from supporting organisations as guest faculty. In addition to the knowledge gained, trainees had the benefit of closely interacting with the representatives of various supporting organisations. This helped the entrepreneurs in having easy access to various offices during post-training phase. Some trainees complained that they did not enjoy any preferential treatment in comparison to persons who had not undergone EDP.

Market survey meant a survey of all the components of marketing. Under market survey, trainees were asked to go to the market and gather information on the different aspects pertaining to the product they have selected for manufacture. They were given guidelines to prepare a brief market survey questionnaire and were given one day off from training sessions to go to the market and collect needed information. After market study, they had to submit a report on market survey. Among the EDP trained entrepreneurs, 67% conducted market survey before starting the units. This shows that the effect of market survey as a part of EDP training was positive.

Field visit was an opportunity to the trainees to see and believe what he has been taught in the classrooms. Industrial visits

enhanced confidence of the young minds and inspire them to action. Visits were considered customary in EDPs. In all EDPs, irrespective of group size, the participants were taken to small enterprises in a single batch. EDP beneficiaries did suggest organisation of visits in smaller batches so as to make them more educative. Suggestions were also given by EDP trainees to arrange visits to the type of industries/enterprises they want to start. They should understand the viability of the project they had in mind. Attendance in field visits was usually lower than attendance in class room sessions. One institution admitted that Industry visit was compulsorily done in case of Sector Specific EDPs. Usually in, general EDPs the visit was conducted only if beneficiaries insisted. It could be concluded that methodology of organising field visits, selection of units to be visited, group size and time to be spent in units planned to be visited need serious consideration.

With regard to production management only one Institution gave highest point as they stated that they were often conducting product - cum - process EDPs in which they give importance in production management. Trainees did agree that wider coverage of various labour laws was not possible in EDPs. The present approach giving little exposure about labour laws was therefore desirable. Trainees preferred marketing tips which could be used

by owner-managers of small enterprises. Training Institutions usually allotted one session of EDP for interaction with successful entrepreneurs. It would be very effective if EDP trained successful entrepreneurs handle this session. But very often the successful entrepreneurs who were invited by institutions were not EDP trained personnels. Though sessions were allotted to resource persons from Financial Institutions for explaining the sources of finance, terms of loan, special schemes etc., trainees complained that it was not easy for them to arrange loans from financial institutions. Those who took some steps to launch a unit, but could not complete, found this area very difficult as they were not having enough security for loan which the institutions insisted. As the District Industries centre is involved in providing registration to small scale industries, they gave more importance to general awareness about planning, establishing and managing SSIs in their EDPs which were very useful to the trainees at the time of registration. It was evident that all the above mentioned inputs are very critical in EDP curriculum.

4.16. Training Methodology

It was believed that class room training alone was not enough for potential entrepreneurs. They need to do a lot of field work for establishing and managing their enterprises. Finding out the

relationship between time devoted to class room lecture sessions and field work was therefore considered necessary. Training organizations were asked to provide the total time spent on classroom inputs and field work. The responses of Training Institutions recorded in this respect are given in Table 4.16.

Table 4.16

Teaching Methodology

Teaching Methodology	CMD	DIC	KITCO	REC	SISI	STED	Total
Class room	60	70	80	60	30	70	370 (61.67)
Practicals	-	-	-	10	60	-	70 (11.67)
Industry visit	10	20	10	10	5	10	65 (10.83)
Market survey	30	10	10	20	5	20	95 (15.83)
Total	100	100	100	100	100	100	600

Source: Survey data

Table showed that more than 50% allotted for class room sessions by 5 Institutions. Since SISI is conducting product-cum-process oriented EDP, they allotted a major portion to practical. CMD spent 30% time for conducting market survey.

4.17. Entrepreneurship Awareness Programmes

Entrepreneurial awareness was one of the most important elements of entrepreneurship promotion. Entrepreneurship Development was aimed at the commissioning of several

development programmes through financial institutions, promotional agencies and service institutions. However, the number of programmes did not correspondingly project the number of successful entrepreneurs who have ventured into their own business. On the one hand, programmes were continuously being offered; on the other, the results of the programmes were encouraging, but the information was not aimed at the larger base. In other words, the programmes were meant for people who have access to information and knowledge.

Youth, in general in the country lack information about the entrepreneurial opportunities, schemes, incentives etc. which was found acting as one of the deterring factors for choosing the industrial entrepreneurship.[15]

Present state of affairs was that many of the entrepreneurs have chosen it a career of last resort. Wrong selection of target groups had also contributed to the failure of a number of EDPs. Well designed and properly executed publicity campaign for entrepreneurial opportunities was likely to enthuse entrepreneurial zeal/talent. The entrepreneurial awareness-interactive programmes should be conducted by the different promotional agencies on continuous basis.

Training Institutions were asked to record how often do they conduct awareness programmes. 3 Institutions recorded that they were conducting entrepreneurial awareness programmes occasionally and one Institution stated that they were conducting awareness programmes always, while 2 Institutions organised frequently. Institutions were asked about the percentage of participants who had undergone EAP, attended EDP. According to them, on an average 15-20% of them were attending EDP. This indicated that Entrepreneurship Awareness Programmes were not inspiring much potential entrepreneurs to undergo EDPs. Untrained entrepreneurs were asked the reason for not attending EDPs. More than 50% of them stated that they were not aware of such a training programme which again showed that Awareness Programmes conducted by Institutions were not effective among potential entrepreneurs and the publicity/promotional activities of EDP was inadequate.

4.18. Existing and Potential Entrepreneurs

Training Institutions along with potential entrepreneurs were helping existing entrepreneurs. In the present study, among the EDP trained Entrepreneurs, 15% were existing entrepreneurs at the time of attending EDP. Training Institutions stated that same syllabus was used for training both. Existing entrepreneurs, at the

time of discussion, stated that they attended EDP when they decided to start additional units/diversification/modernisation.

Help provided by organisations to existing entrepreneurs included guidance in areas of modernisation, expansion and diversification, identification of problems of the units, Management, Marketing, Consultancy etc.

4.19. Benefits of EDP

As the quality of entrepreneurship differed from region to region, the type of inputs that a particular group of entrepreneurs would require should be understood clearly and the training programmes tailored accordingly. Training should be not only to set up an industrial venture but also to enable the trainee to run it successfully. Training organizations were asked to mark how much help they provide to EDP beneficiaries in setting up as well as running their own unit. A five point scale was used for collection of their responses. The various area in which help was provided and number of institutions responded are given in the following table. According to the importance given to each item they were requested to distribute 100 points. Out of 100, upto 20 points were taken as very low, 21-40 as low, 41-60 as medium, 61-80 a high and 81-100 as very high.

Table 4.17

Benefits of EDP

Benefits/No. of E.D organization	Very low (upto 20)	Low (20-40)	Medium (41.-60)	High (61-80)	Very high (81-100)
1. Opportunity Guidelines	-	-	3	3	-
2. Preparation	-	-	1	1	4
3. Infrastructural Requirements	1	1	2	2	-
4. Local Body License	1	1	3	1	-
5. Laison with Govt. Agencies & Financial Institutions for speedy implementation of projects	-	1	2	2	1
6. Assessment of working capital	1	-	3	1	1
7. Marketing strategies	1	-	2	3	-
8. Arrangement of finance	1	-	3	1	1
9. Information about incentives, subsidies, sales tax exemption etc. to entrepreneurs	-	1	-	4	1
10. Procurement of Raw material machinery etc.	-	-	3	3	-
11. Provisional Registration	-	-	2	3	1
12. Permanent Registration	1	-	1	4	-
13. Price Fixation	2	1	2	1	-
14. Cost Reduction	2	1	3	-	-
15. Uses of Byproducts	1	3	1	1	-
16. Self confidence	-	-	2	2	2

Source: Survey data

Opportunity guidance enabled entrepreneurs to identify opportunities in industries and other allied activities which offer a promising future for them. In this respect 3 institutions marked as Medium and remaining 3 marked as High.

It was on the basis of project report that not only the entrepreneur took his decision on whether to proceed on the proposed project, but also financial institutions and state

Government Departments involved in the project, based their decisions on the ways and the extent to which help should be provided. Realising this importance of preparation of project report. One institution recorded as Medium, One as High while the majority 4 institutions marked as very high.

Four Institutions were providing help to some extent in getting licenses from local administration bodies and arrangement of infrastructural requirements. Individuals and organizations which provided assistance to entrepreneurs constitute support system. The organization conducting the training should be associated with these agencies to ensure that timely assistance was available to the entrepreneurs. In this respect 5 institutions were providing help and one institution marked as low.

In assessment of working capital and arrangement of finance, 3 institutions provided medium help and 2 institutions have marked as providing high help. Marketing strategies helped entrepreneurs in taking decisions in each stage of product life cycle. In the case of Marketing Strategies, one training organization stated that they were not providing much help in this respect while the remaining 5 organisations were providing help in the field of marketing strategies.

Since 1954, Govt. of India had continuously introduced different incentive facilities and concessions through its agencies for the entrepreneurs. The incentive schemes generally cover facilities and concessions regarding finance, infrastructure, market and training. Incentives and subsidies given by the Government help entrepreneurs to set up their industries. The entrepreneurs were attracted to some extent for their package of incentive and subsidies. They acted as a motivational force and encourage entrepreneurs to start industries. Information about the various incentives, subsidies etc. to entrepreneurs were provided in EDP session. Four institutions marked this help as 'high' one institution marked it as 'very high'.

In EDP classes, trainees were provided with information regarding the availability of raw material & machinery at concessional rates, whom to contact etc. Three institutions marked as providing 'medium help' and three institutions 'as high'.

Provisional registration was taken for the pre-operative period and enabled the unit to obtain the term loans and working capital from financial institutions/banks. Permanent registration certificate enables units to get the following incentives/ concessions.

a. Excise exemptions

b. Income-tax exemption and sales tax exemption as per state government policy.

c. Incentives and concessions in power, tariff etc.

d. Price and purchase preference for goods purchased.

All the training organization were helping entrepreneurs for getting provisional registration, while 5 institutions provide more help in getting permanent registration also. In areas of price fixation, cost reduction and uses of by products: Institutions were providing medium help.

An entrepreneur assumes risk and therefore he must have self confidence. Training Organisations were encouraging trainees and they get self confidence after attending EDP training. Trained Entrepreneurs as well as non-entrepreneurs confirmed this fact. Training organizations pointed out that they were providing opportunities for trainees to have contact with various offices, procedures and officials and they also admitted that they were getting good exposure in EDP sessions.

On the basis of these responses the summated score value of each institution was calculated which is given in Table 4.18.

Table 4.18

Summated Scale Score of benefits of EDP

Institution	Score Value
CMD	52
DIC	56
KITCO	53
REC	53
SISI	64
STED	33

Source: Survey data

Max. Score: 16x5 = 80
Mini. Score = 16 x 1 = 16

Scale:-
16 – 40 ---> Min. help
41 – 60 ---> Moderate help
61 – 80 ---> Max. help

Table 4.18 showed that SISI provided the maximum assistance to entrepreneurs. All other institutions except STED were providing moderate help.

4.20. Start-up Rate

Training organisations were asked to state the percentage of trainees starting own unit within one/two years of getting training. They responded as follows:-

Table 4.19

Start-up Rate

Institution	Start-up Rate
CMD	20-30
DIC	10-20
KITCO	20-30
REC	20-30
SISI	20-30
STED	10-20

Source: Survey data

It could be stated that a maximum of 20-30% of beneficiaries were starting their own unit. One Institution frankly expressed that reliable data was not available due to various reasons especially, poor response to enquiries. It was a common feature that entrepreneurs were not informing the Institutions at the time of starting the unit.

4.21. Follow-up

Training with all the motivational and managerial inputs alone could not make the prospective entrepreneur successful.

It was very important to takeup follow-up measures after conducting entrepreneurial development courses. The major objective of the follow-up of EDP trained entrepreneur was to sustain the motivation of the trained entrepreneur. Follow-up also indicated the quality and drawbacks of the earlier work and gave suggestions for the future to improve the quality. There was a

widely held opinion amongst entrepreneurship development professionals that post-training follow up hold the key to effectiveness of EDPs. It was, therefore, decided to study the present practices of post-training follow-up adopted by various training organisations. For analysing the follow up activities undertaken by E.D. organisations, Likert Scale Technique has been used.

Table 4.20

Follow-up

Follow-up activities/No. of Institutions	Very low (upto 20)	Low (21-40)	Medium (41-60)	High (61-80)	Very High (81-100)
1. How often feed back is collected	-	-	-	-	6
2. How often follow-up activities are undertaken follow-up meetings	-	-	5	1	-
3. Follow-up correspondence	-	1	2	2	1
4. Follow-up visits by Trainers	3	1	2	-	-
5. Post-Training counselling services to trainees	-	1	5	-	-
6. Problem solving through committees	2	2	2	-	-
7. Approach for further help	-	-	4	-	2
8. Will they inform when business is started	-	1	5	-	-

Source: Survey data

Eight statement were given regarding feedback and follow up activities. It was clear that all the Institutions were collecting feed back from the trainees. But responses from them were very poor. Follow-up meetings were also conducting but attendance was used to be very poor. Institutions recorded that they were making correspondence with the trainees.

Table 4.21

Summated Scale Score of follow up activities

Institution	Score value
CMD	29
DIC	25
KITCO	20
REC	25
SISI	30
STED	22

Source: Survey data

With regard to follow-up activities, SISI got the highest score.

Experience indicates that effective and timely followup of trainees upon completion of this programme was necessary inorder to achieve a high success rate in business creation and survival.[16]

During the first few months of his entrepreneurial career the young entrepreneur, like a young tree, needs special care. An effective follow-up was very essential to ensure that they did not drop out after sometime and to help those who were struggling hard to survive in the competitive market. Experience showed that a lot of improvement could be introduced in the training inputs on the basis of this information and critical comments received through follow-up.[17]

4.22. Problems faced by Training Organisations

Entrepreneurship Development was a multidisciplinary and complex task. E.D. Organisations needed support of large number of organisations and experts. Training organizations were asked to record the major problems faced by them in conducting EDPs. A five point scale was used for collecting information related to problems. According to the intensity of problems faced, they were requested to distribute 100 points. Their responses were recorded in table 4.22.

Entrepreneurship Development was a multi disciplinary and complex task. E.D. Organisations needed support of large number of organizations and experts.

Table 4.22
Problems faced by Institutions

Follow-up activities/No. of Institutions	Very low (upto 20)	Low (21-40)	Medium (41-60)	High (61-80)	Very High (81-100)
1. Availability of interested Participants	1	2	1	2	-
2. Availability of Guest faculty	4	1	1	-	-
3. Finance for conducting EDPs	3	1	2	-	-
4. Assistance by support system	2	3	1	-	-
5. Post Training Follow-up	1	1	2	2	-
6. Performance of Participants	-	4	2	-	-
7. Infrastructure for Training	2	-	2	2	-
8. Heterogeneous background of Trainees	1	1	3	1	-
9. Low level of entrepreneurial awareness	1	1	4	-	-
10. Industrial visits	2	2	2	-	-
11. Market survey	1	1	4	-	-

Source: Survey data

EDP should be provided to those who were really interested in starting a business unit. Entrepreneur identification and selection should be made effectively in order to get interested participants. For 50% of Institutions availability of interested participants was not at all a problem while 50% found this as a problem. Training Organisations told that the number of people who wanted to participate in EDPs was large. But many of them were not really interested in the course. One training institution told that some trainees were not serious about the training. Those who got job while attending EDP withdrew themselves from the course.

The problem of non-availability of competent faculty from outside was faced by only one institution to some extent. This was not a problem as far as the other institutions, as they have qualified own faculties. Finance for conducting EDPs was not a problem for four institutions and 2 institutions had to face this problem to some extent. Four institutions experienced the difficulty of contacting trainees after training and follow-up could not be done effectively. Availability of necessary infrastructure was found to be a problem by 4 institutions as they were conducting Training Programmes in different parts of the country.

EDP participants usually come from various backgrounds and this was one of the problems faced by Trainers. Diverse

background of trainees was very often a problem as Resource Persons had to talk in general terms which all participants had to follow. Four institutions admitted that there was lack of awareness among participants. Though beneficiaries benefited much from market survey, making arrangement for market survey was found to be difficult by four institutions.

Table 4.23

Summated Score of problems faced by Training Organisations

Institution	Score Value
CMD	26
DIC	26
KITCO	28
REC	31
SISI	17
STED	24

Source: Survey data

Max. Score: 11x5 = 55

Mini. Score = 11 x 1 = 11

Scale:-

Min. problems: 11 - 25

Moderate problems: 26 - 40

Max. problems: 41 – 55

SISI had minimum problems in conducting EDPs. All others fall in the group of moderate problems.

Entrepreneurial development requires more than training. Entrepreneurship was helping people to recognize that there were opportunities which if grabbed could provide material benefits. The value of rewards was directly dependent on one's effort, perseverance and good judgement. What the Government or the institutions involved in entrepreneurial development could offer is encouragement, informational support, access to knowledge, guidance and helped in developing skills.

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A STUDY ON THE EFFECTIVENESS OF ENTREPRENEURIAL DEVELOPMENT PROGRAMMES FOR THE DEVELOPMENT OF SMALL SCALE INDUSTRIES IN KERALA

THESIS
SUBMITTED TO THE UNIVERSITY OF CALICUT FOR THE AWARD OF THE DEGREE OF DOCTOR OF PHILOSOPHY IN COMMERCE

BY
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IMPACT OF EDPs ON ENTREPRENEURS

CHAPTER - V

IMPACT OF EDPs ON ENTREPRENEURS

Entrepreneurial talents exist in every society and in all cross-sections of people. In developed countries, the favourable Socio-economic environment helps in exploiting latent entrepreneurial talents. In India, it is believed, tremendous latent entrepreneurial talents exists, which if properly harnessed could help in solving many of the serious problems facing the country. The well known Kakinada experiment conducted by Mcclelland and his associates and entrepreneurship promotion work done by Gujarat Industrial and Investment Corporation (GIIC) and centre for Entrepreneurship Development (CED) Ahmedabad had clearly shown that it was possible to train first generation entrepreneurs through systematic training intervention.

In recent years, Human Resource Development has been receiving great attention in developing countries. With this came reviewed attention towards the role of entrepreneurship in initiating and stimulating economic development. It was recognised that an adequate supply of able and well motivated entrepreneurs was a pre-condition for accelerating the process of economic development.

This chapter is based on the primary data collected through field investigation. In this chapter, an attempt was made to study the effectiveness of EDPs on Sample EDP beneficiaries in Kerala. For the purpose of Study, 4 districts were selected at random, Thrissur, Kozhikode, Malappuram & Ernakulam. There are a number of Entrepreneurship Development Institutions functioning in Kerala, among which 5 have been providing EDP training in all the Districts and one Institution has been imparting training, in a central place, which was participated by trainees from all the districts. In this study, EDPs conducted by these 6 Institutions during the yeas from 1994-95 to 1998-99 were covered. In view of huge amount of money spent and expected outcome of such programmes, an impact study was highly desirable.

For the purpose of this study, 3 types of respondents were analysed-

(1) EDP beneficiaries who were running SSI unit;
(2) EDP beneficiaries who were not running SSI units but engaged otherwise, and
(3) Untrained (Not EDP trained) entrepreneurs who were running SSI unit.

Separate questionnaires were used for data collection from the 3 types of respondents. This chapter is prepared on the basis of

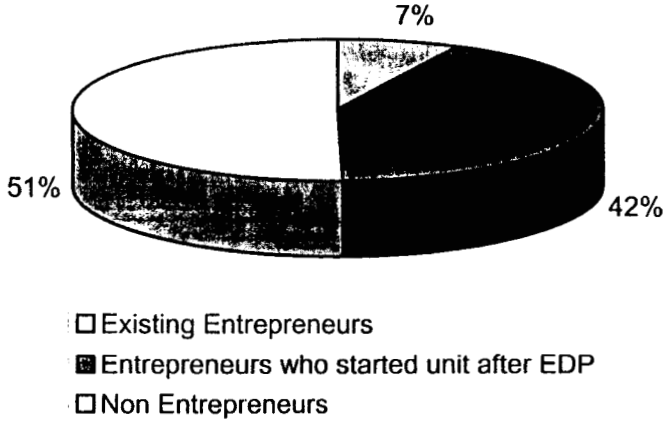
direct informal interviews with them with the structured interview schedules. Entrepreneurs both trained and untrained were not ready to disclose fully informations relating to their investment, Sales Turnover Profit/Loss, Number of employees etc. Though confidentiality of informations was assured 38 respondents did not respond at all. However based on the collected information from 135 trainees, an attempt was made to study the effectiveness of EDPs in the state.

5.1. Status of Sample EDP beneficiaries

Table 5.1
Status of Sample EDP beneficiaries

Status	No	%
Existing Entrepreneurs	10	7.4
Entrepreneurs who started unit after EDP	57	42.2
Non Entrepreneurs	68	50.4
Total	135	100.00

Fig. 5.1
Status of Sample EDP beneficiaries



Among the 135 training beneficiaries 10 trainees (7.4%) were entrepreneurs at the time of participating in EDP's. 42.2% started units after undergoing EDP training and 50.4% have not yet started units. EDPs aimed at promoting first generation entrepreneurs as well as helping existing entrepreneurs. Some of the existing entrepreneurs joined for EDP when they planned to start additional units and some with an intention of diversification.

5.2. District-wise distribution of sample EDP trainees

Table 5.2
District-wise distribution of sample EDP trainees

District/Status	Thrissur	Calicut	Malappuram	Ernakulam	Total
Existing Entrepreneurs	3 (9.00)	7 (9,86)	-	-	10 (7.4)
Entrepreneurs who started units after EDP	15 (45.45)	25 (35.21)	4 (50.00)	13 (56.52)	57 (42.2)
Non-entrepreneurs	15 (45.45)	39 (54.93)	4 (50.00)	10 (43.48)	68 (50.4)
Total	33 (100.00)	71 (100.00)	8 (100.00)	23 (100.00)	135 (100.00)

(Figures in parentheses show percentages)

In Thrissur District, out of 33 trainees, 18(54.55%) were running units, in Calicut, out of 71 trainees, 32(45.07%) were running SSI units, in Malappuram district out of 8 EDP beneficiaries; 4(50%) started units, and in Ernakulam District, among 23 EDP trainees, 13 (56.25%) started business units. Among the EDP trainees, the highest percentage of start-up was shown in Ernakulam District, which occupied the first place in the number of SSI units registered in Kerala State in most of the years during the past 5 years.

5.3. Training Institution-wise Distribution of sample EDP trainees

Table 5.3
Training Institution-wise Distribution of sample EDP trainees

Institution	CMD	SISI	DIC	KITCO	STED	REC	Total
Existing Entrepreneurs	1 (3.45)	3 (14.29)	2 (8.33)	3 (7.89)	-	1 (8.33)	10 (7.4)
Entrepreneurs who started units after EDP	12 (41.38)	10 (47.62)	9 (33.33)	18 (47.37)	5 (45.45)	4 (33.33)	57 (42.2)
Non-entrepreneurs	16 (55.17)	8 (38.09)	14 (58.33)	17 (44.74)	6 (54.45)	7 (58.33)	68 (50.4)
Total	29 (100.00)	21 (100.00)	24 (100.00)	38 (100.00)	11 (100.00)	12 (100.00)	135 (100.00)

Source: Survey data (Figures in parentheses show percentages)

Out of 135 trainees, 49.6% were running their own unit while 50.4% have not yet started units. Among the Institutions, Participants from SISI showed the highest start up (61.90) followed by beneficiaries of KITCO (55.26%).

5.4. District/Institution-wise Distribution of Sample EDP beneficiaries

Table 5.4
District/Institution-wise Distribution of Sample EDP beneficiaries

District/Institution	CMD	SISI	DIC	KITCO	STED	REC	Total
Thrissur	4	19	4	1	3	2	33 (24.44)
Calicut	22	-	17	18	8	6	71 (52.59)
Malappuram	3	1	1	1	-	2	8 (5.93)
Ernakulam	-	1	2	18	-	2	23 (17.04)
Total	29 (21.48)	21 (15.56)	24 (17.15)	38 (28.15)	11 (8.15)	12 (8.89)	135 (100.00)

Source: Survey data (Figures in parentheses show percentages)

5.5. Sex-wise Distribution of the Sample EDP beneficiaries

Among the 135 EDP trainees 59.26% were males and 40.74% were females

Table 5.5
Sex-wise Distribution of the Sample EDP beneficiaries

Sex	Entrepreneurs	Non-entrepreneurs	Total
Male	41 (61.2)	39 (57.4)	80 (59.26)
Female	26 (38.8)	29 (42.6)	55 (40.74)
Total	67 (100.00)	68 (100.00)	135 (100.00)

(Figures in parentheses show percentages)

5.6. Caste-wise Distribution of the sample EDP trainees

Table 5.6
Caste-wise Distribution of the sample EDP trainees

Caste	Entrepreneurs	Non-entrepreneurs	Total
Forward	34 (50.7)	30 (44.1)	64 (47.40)
Backward	33 (49.3)	38 (55.9)	71 (52.59)
Total	67 (100.00)	68 (100.00)	135 (100.00)

(Figures in parentheses show percentages)

The table 5.6 showed that out of 135 EDP trainees 52.59% were from backward communities while 47.4% were from forward communities.

5.7. Marital Status

Table 5.7

Marital Status

Marital Status	Entrepreneurs	Non-entrepreneurs	Total
Single	14 (20.9)	22 (32.4)	36 (26.67)
Married	53 (79.1)	46 (67.6)	99 (73.33)
Total	67 (100.00)	68 (100.00)	135 (100.00)

(Figures in parentheses show percentages)

73.33% of the total 135 trainees were married and 26.67% were unmarried.

5.8. Age-wise Distribution of EDP trainees

It was considered desirable to have an insight into the age of entrepreneurs. The capabilities of a person in undertaking various jobs vary at different ages as perceptions, physical endurance and confidence level will vary with age.

Table 5.8

Age-wise Distribution

Age	Entrepreneurs	Non-entrepreneurs	Total
<30	10 (14.9)	23 (33.8)	33 (24.44)
30-40	37 (55.2)	32 (47.1)	69 (51.11)
40-50	20 (29.9)	13 (19.11)	33 (24.44)
>50	-	-	-
Total	67 (100.00)	68 (100.00)	135 (100.00)

(Figures in parentheses show percentages)

85% of the entrepreneurs were between the age group of 30-50 while Non- entrepreneurs in this group constituted 66%. Among the Non-starters, 33.8% were in the age group of less than 30, Whereas only 14.9% Start-ups fall in this age group. Perhaps, the higher maturity level of potential entrepreneurs and the clarity of and commitment to the self employment goal acted as a facilitating factor in venture launching. Studies have revealed that younger people were more successful entrepreneurs. This might be because older people were more reluctant to take risky ventures. They were more concerned with avoiding failure than achieving success. In the above 2 groups, Above 50 there was nobody.

5.9. Educational Qualification

It was noted that education, entrepreneurship and development were interrelated. Education was known to be the best means of developing a person's resourcefulness which encompassed different dimensions of entrepreneurship.[1] This formal education was always considered important for a career. Formal education would benefit entrepreneurs by making available more skills necessary for entrepreneurial endeavour.[2] It not only helped in the acquisition of required knowledge for a job which demanded non-traditional skills but imparted knowledge about the different occupational opportunities[3] Therefore in a developing

economy, the education was always looked upon as a means to improve one's socio-economic position in the society. Formal education tended to encourage the emergence of entrepreneurial class at an early stage.[3] It was assumed that educated entrepreneurs would be in a better position than the uneducated in acquiring skills and technical know-how, approaching government officials for licenses and concessions, contacting financial institutions etc. The entrepreneurs with higher educational qualifications could solve most of the problems confidently.

Research studies proved that entrepreneurship was independent of the level of education, though the educational factor might make an entrepreneur a successful manager when the enterprise outgrows its smallness of size.[4]

Table 5.9
Education-wise Distribution of EDP trainees

Qualification	Entrepreneurs	Non-entrepreneurs	Total	% of Entrepreneurs to the total
SSLC	17 (25.37)	20 (29.41)	37 (27.41)	45.95
Degree	35 (52.24)	30 (44.12)	65 (48.15)	53.85
Technical/Professional	15 (22.39)	18 (26.87)	33 (24.44)	45.46
	67	68	135	

(Figures in parentheses show percentages)

Among the 135 EDP Trainees, 48.15% were graduates and 27.41% were educated upto SSLC 24.44% were having

Technical/Professional qualification. Among the entrepreneurs, majority (52.24) were graduates. Percentage of entrepreneurs to the total shows that majority were graduates (53.85%). This showed that formal education was an important factor in fostering entrepreneurship.

5.10. Parental Occupation

The sample for this study constituted of 135 EDP Trainees, 67 started SSI units and 68 non-entrepreneurs. The family background of these two groups were compared and presented in the following table, which provided an insight into the shift in occupation between the two generations.

Table 5.10
Parental occupation of sample EDP trainees

Occupation	Entrepreneurs	Non-entrepreneurs	Total	% of Entrepreneurs to the total
Agriculture	14 (20.9)	21 (30.9)	35 (25.93)	40.00
Business	17 (25.4)	18 (26.5)	35 (25.93)	48.57
Industrial	5 (7.5)	1 (1.5)	6 (4.44)	83.33
Service	11 (19.8)	13 (19.11	24 (17.78)	45.83
Govt. job	20 (29.9)	15 (22.1)	35 (25.93)	57.14
Total	67 (100.00)	68 (100.00)	135 (100.00)	49.63

(Figures in parentheses show percentages)

When analysed on the basis of family background, it was found that EDPs were mostly attended by those who either came

from agricultural families or Business families or whose parents had Government jobs. Data available indicated that EDPs had not been effective in attracting such candidates whose parents were industrialists. It was clear from the table that out of 135 respondents who participated in EDPs, only 6 had come from families which were engaged in industrial activities, among which 5 of them started units. EDP was mainly meant for first generation entrepreneurs and second generation entrepreneurs did not feel the necessity of attending EDPs. Among the starters, majority were from the family of Government employees (29.9%) followed by Business families (25.4%) and from agricultural background (20.9%) Among the Non-starters, majority trainees were from agricultural background (30.9) followed by Business families (26.5%).[5] In a study it was found that it was not necessary that entrepreneurs should come from Industrial/Business background, Business environment in the family, exposure to opportunities, encouragement and support from other business-minded family members, all must be combined to develop necessary confidence for setting up of an industry.[5]

Entrepreneurs with business family background were found having wide contacts,[6] basic experience and financial resources which were quite helpful for the success in new ventures.

Percentage of starters to the total showed maximum (83.33%) in the case of those who came with industrial background followed by entrepreneurs whose parents were Govt. employees (57.14%). Third place went to entrepreneurs from business families (48.57%).

An attempt was made to know the entrepreneur's previous occupation before establishing the present unit.

5.11. Occupation of trained Entrepreneurs before establishing unit

Table 5.11
Occupation of trained Entrepreneurs before establishing unit

Status	Entrepreneurs	%
Studying	13	19.4
No Job	28	41.8
Employed in Industry	17	25.4
Running own unit	5	7.5
Business/Trade	4	6.0
Total	67	100.0

As seen from the table, majority (41.8%) were not doing anything before starting the unit. 38.81% were either employed in industry or running own unit or engaged in Business/Trade, while 19.4% & started unit immediately after completion of their studies. Entrepreneur's previous occupations were analysed in the light of family background.

5.12. Family background/Previous occupation

Table 5.12
Family background/Previous occupation

Occupation	Agriculture	Business	Industrial	Service	Govt. Job	Total
Studying	4	5	1	1	2	13
No Job	5	5	2	5	11	28
Employed in industry	3	5	1	2	6	17
Running own unit	1	1	1	2	-	5
Business/Trade	1	1	-	1	1	4
Total	14	17	5	11	20	67

The table showed that majority entrepreneurs who started unit immediately after studies came from business families. Majority of those who were not doing anything came from family of Government employees. Out of 17 entrepreneurs who were previously employed in industries, 6 had business/industrial background. This shows that previous experience in industry and business appears to provide some appreciable inducement to entrepreneurship. 11 entrepreneurs coming from the background of agriculture, service and government job, were employees of industrial concerns. After serving and observing their respective employers for a certain period, these respondents gained confidence and expertise which in turn gain them a sense of confidence to stand on their own in the respective fields.

5.13. Pre-EDP Status of Non-entrepreneurs

Table 5.13
Pre-EDP Status of Non-entrepreneurs

Status	Non-entrepreneurs	%
Studying	13	19.12
No job	30	44.12
Employed in industry	14	20.59
Running own unit	3	4.41
Business/Trade	8	11.76
Total	68	100.00

Majority of trainees (44.12%) were not having any job. 20.59% were employed in industry before undergoing EDP training. Some of them after training took some initiative for launching business unit, but could not complete it. 19.12% after their studies, attended EDP training 11.76% were engaged in Business/Trade and 4.41% were running their own unit.

5.14. Family Background/Pre-EDP status of Non-Entrepreneurs

Table 5.14
Family Background /Pre-EDP status of Non-Entrepreneurs

Occupation	Agriculture	Business	Industrial	Service	Govt. Job	Total
Studying	2	6	-	1	4	13 (19.12)
No Job	13	6	-	4	7	30 (44.12)
Employed in industry	4	2	1	4	3	14 (20.59)
Running own unit	-	1	-	2	-	3 (4.41)
Business/Trade	2	3	-	2	1	8 (11.76)
Total	21	18	1	13	15	68 (100.00)

(Figures in parentheses show percentages)

Majority of trainees joined for EDP after studies came from Business families and in the case of trainees who were not doing anything before EDP, majority came from agricultural families with an intention of starting industry.

5.15. Nature of Business

EDP Trained entrepreneurs were engaged in manufacturing and marketing, Manufacturing alone and service sectors.

Table 5.15
Nature of Business

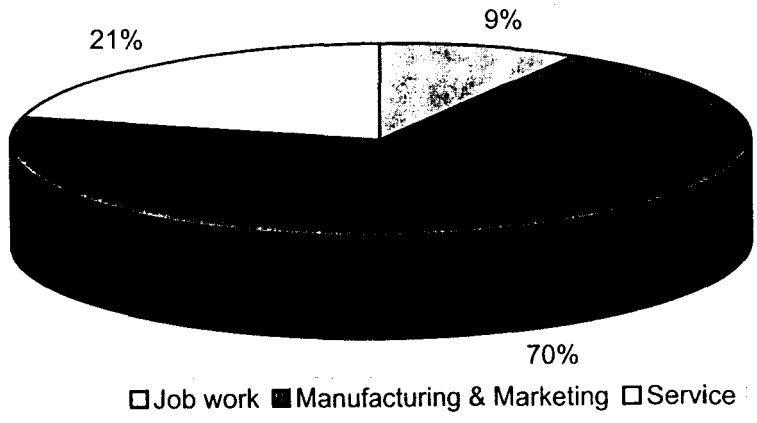
Nature of business	
Job work	6 (8.96)
Manufacturing & Marketing	47 (70.15)
Service	14 (20.89)
Total	67 (100.00)

(Figures in parentheses show percentages)

Table 5.14 showed that 70% were engaged in manufacturing and marketing which was risky whereas 9% were undertaking only manufacturing activities, they were doing job works, engineering units along repairs, some garment making units etc. Compared to the second group, in manufacturing alone there was no risk as they didn't have to worry about marketing. Those who were running Beauty parlours, software concerns, studios etc. were in the category of service concerns. There were women entrepreneurs in

all this three categories. 20.89% were in the service sector. This showed that majority of the EDP trainees were functioning in the manufacturing and Marketing sector facing risk.

Fig. 5.2
Nature of Business



5.16. Target group

EDP was generally provided by institutions to different target groups like women, SC/ST, General, Ex-Servicemen, Engineering etc. Though 5 categories of target groups were specified in the questionnaire, respondents were only from 3 types ie, General, Engineering And Women. No respondents were from Ex-servicemen and SC/ST target groups, though some of the training institutions conducted separate EDPs for them. Out of 135 EDP beneficiaries, 67.41% attended General EDPs, 28.15% attended

Women EDPs and 4.44% participated in EDPs meant for engineers. Among the entrepreneurs, 70% were general EDP Trainees, 4.5% Engineering & 25.4% Women EDP Trainees (Table 5.16)

Table 5.16
Target group wise distribution of EDP trainees

Target group	Entrepreneurs	%	Non-Entrepreneurs	%	Total	%
General	47	70.1	44	64.7	91	67.41
Engineering	3	4.5	3	4.41	6	4.44
Women	17	25.4	21	30.90	38	28.15
Total	76	100.00	68	100.00	135	100.00

5.17. Duration of EDP

Table 5.17
Duration of EDP

Duration	Entrepreneurs	%	Non-entrepreneurs	%	Total	%
3 Months	9	13.4	5	7.4	14	10.37
2 Months	-	-	4	5.9	4	2.96
1 Month	35	52.2	27	39.7	62	45.93
6 Weeks	11	16.4	9	13.2	20	14.81
2 Weeks	11	16.4	16	23.5	27	02.00
1 Week	1	1.5	7	10.3	8	5.93
Total	67	100.00	68	100.00	135	100.00

These days more and more people were getting interested in acquiring entrepreneurial competencies but at the same time they were reluctant to spend a longtime on it. Thus the conventional six week full-time of twelve week part time models do not suit them. Moreover, the good augury was that the employed class was

increasingly being attracted towards the entrepreneurial career. This again call for the shortening of the duration of EDPs.

Among the entrepreneurs, majority (52.2%) attended one-month programme of EDP. In the case of Non-starters also, majority (39.7%) did one month training.

5.18. Source of Training Information

Trainees were asked to record from where they came to know about EDP Training. Generally, Training Institutions utilise media for publicity of EDPs. The important medias used are Newspapers and Radio. The following table shows the sources of information about EDPs.

Table 5.18
Source of Training Information

Sources	Entrepreneurs	%	Non-entrepreneurs	%	Total	%
News papers	52	77.6	49	72.1	101	74.81
Training Institution	1	1.5	1	1.5	2	1.5
Radio	1	1.5	1	1.5	2	1.5
DIC	7	10.4	5	7.4	12	8.84
Friends	4	10.4	12	17.6	19	14.07
Total	67	100.00	68	100.00	135	100.00

Out of 135, 101 Trainees (74.81%) came to know about EDP from newspapers. 14.07% got the information from friends, and 8.89% from DIC. In the case of both starters and non-starters, one

each got information from Radio & Training Institution. In this hightech age, the popularity of Radio has come down. Therefore programme publicity through Radio announcements was not at all effective. Table 5.18 clearly shows that, Newspaper was the effective source of information. Regarding the conducting of EDPs, Training Institutions are not providing direct information and it seems they were giving more importance to consultancy services. Some untrained entrepreneurs, who got consultancy services from these promotional institutions, were not aware of the training programmes conducted by them. Though some of the training institutions were engaged in conducting Entrepreneurship Awareness Programmes, they were not reaching to those to whom they aim at.

5.19. Who suggested to undergo EDP

Table 5.19
Who suggested to undergo EDP

	Entrepreneurs	%	Non-entrepreneurs	%	Total	%
Own Decision	53	79.1	50	73.5	103	76.30
Friends	3	4.5	12	17.6	15	11.11
DIC officials	6	9.0	6	8.9	12	8.89
Bank officials	5	7.5	-	-	5	3.70
Total	67	100.00	68	100.00	135	100.00

Out of 135 trainees, 76.30% undergone EDP training on their own decision. Those who were all motivated by Bank officials, started the unit.

5.20. Reasons for joining EDP as given by EDP Trainees

Trainees reasons for joining EDPs are important in determining the possible start-up rate. Trainees joining for EDP with an idea of speeding up the process of venture launching or improving their entrepreneurial competencies are more likely to start a venture than those who join simply because they are unemployed or for a certificate or just for the sake of gaining knowledge.[7]

Table 5.20
Reasons for joining EDP

Reasons	Entrepreneurs	%	Non-starters	%	Total	%
Unemployment	7	10.4	15	22.1	22	16.30
Loan Facility	6	9.0	4	5.9	10	7.41
Technical Training	5	7.5	10	14.7	15	11.11
Learn to start the business	23	34.3	26	38.2	49	36.30
Improve Entrepreneurial competencies	21	31.3	9	13.2	30	22.22
Improve Managerial skill	5	7.5	4	5.9	9	6.67
Total	67	100.00	68	100.00	135	100.00

It is clear from the table 5.20 that starters have given more importance to reasons which are essential for starting of the unit. 34.3% of the starters joined for EDP to learn to start the business, and 31.3% joined for improving entrepreneurial competencies. Though 38.2% non-starters gave the reason to learn to start the business, only 9% opted for improving entrepreneurial

competencies. 22.1% of non-starters joined for EDP, only because they were unemployed compared to 10.4% starters. The results shows that the motives of trainees for joining EDPs should be thoroughly assessed before their selection.

In a research study on women entrepreneurs[8], many women had expressed their priorities of training needs at the initial and operational stages as follows.

Initial Training Needs

Business information	49.18%
Technical training	44.26%
Market information	37.70%
Financial information	37.70%
Production and control	36.07%
Government procedures	29.51%
Managerial and Administration	22.94%

It was evident that during the establishment stage, there was a prime need for information and knowledge.

Training needs at operation stage

Finance Management	50.82%
Market Management	37.70%
Government formalities	34.43%

Production	31.15%
Technical	29.51%
Managerial	21.31%

5.21. Methods used for Training

The training programmes had to be designed in such a way that they were useful to the entrepreneurs by imparting necessary knowledge that was required. They should be designed to fill the gap between the knowledge the entrepreneurs have and the knowledge that is required by them.. Regarding the various methods used for EDP training, respondents were asked to distribute 100 points in the order of usefulness to them. Responses were collected by giving ranges of scores and marked as very low, Low, Medium, High and very high. Data collected showed that only in some cases the score reached atleast the medium. The main methods indicated in the questionnaire for training were:

(1) Classroom lecture, (2) Group Discussions,

(3) Audio-visual aids, (4) Individual counselling,

(5) Industrial visit, (6) Market Survey,

(7) Case Studies, (8) Interaction with successful entrepreneurs.

Table 5.21
Training Methodology

Methodology	Very low Upto 20	Low 21-40	Medium 41-60	High 61-80	Very high 81-100
Classroom lecture		8 (11.94)	24 (35.82)	26 (38.81)	9 (13.43)
Group Discussions	37 (55.2)	30 (44.8)			
Audio-visual aids	61 (91.0)	6 (9.0)			
Industrial selling	61 (91.0)	6 (9.0)			
Industrial visit	22 (32.8)	39 (58.210	6 (9.0)		
Market survey	12 (17.9)	49 (73.13)	6 (9.0)		
Case studies	58 (86.6)	9 (13.4)			
Interaction with successful entrepreneurs	15 (22.4)	51 (76.1)	1 (1.5)		

(Figures in parentheses show percentages)

Classroom lecture was mainly used for EDP training by institutions and majority recorded positively. 38.81% recorded as high, 13.43% recorded as very high while 35.82% recorded as medium. Group Discussions, Audio-visual aids, individual counseling & case study were not used as methods of training some trainers. Most of them are arranging industrial visits, but was not found to be much effective. Only 9% recorded it as medium. These visits were not organized by considering the project reports prepared by trainees. In the case of market survey also, only 9% recorded as medium. More than 70% recorded it as low. Unless the potential entrepreneurs get the chance of conducting market

survey of the type of industry which they intended to start, it would not be much effective. Entrepreneurs did not find the interaction with successful entrepreneurs useful.

5.22. Contents of EDP Syllabus

Entrepreneurs were asked about usefulness of contents of EDPs in the light of their experiences of starting and running a small scale unit. A five point scale was given to record their responses and is shown in Table 5.22

Table 5.22
Contents of EDP syllabus

Inputs	V. Low 1	Low 2	Medium 3	High 4	V. High 5
Achievement Motivation	33 (49.25)	7 (10.45)	14 (20.90)	1 (1.50)	12 (17.91)
Entrepreneurial qualities	9 (13.43)	7 (10.45)	20 (20.85)	6 (8.96)	25 (37.31)
Product idea formulation	50 (74.63)	4 (5.97)	5 (7.46)	-	8 (11.94)
Project report Preparation	32 (47.76)	13 (19.40)	13 (19.40)	2 (3.00)	7 (10.45)
Financial Management	23 (34.33)	11 (16.42)	8 (11.94)	5 (7.50)	20 (29.85)
Marketing Management	14 (20.90)	9 (13.43)	12 (17.91)	5 (7.50)	27 (40.30)
Procedure of starting the business	15 (22.39)	7 (10.45)	11 (16.42)	2 (3.00)	32 (47.76)
Market Survey	8 (11.94)	9 (13.43)	15 (22.39)	7 (10.45)	28 (41.79)
Interaction with successful entrepreneurs	32 (47.76)	12 (17.91)	10 (14.93)	-	13 (19.40)
Industrial visit	30 (44.78)	12 (17.91)	13 (19.40)	3 (4.50)	9 (13.43)

(Figures in parentheses show percentages)

Motivation training was aimed at the trainees level of achievement and confidence and developing the right attitude and behaviour towards business. The table showed that Achievement motivation training was not found to be effective. Only 40% found it useful while 60% marked it as less useful. EDP aim at developing the entrepreneurial qualities which was latent in potential entrepreneurs. Entrepreneurs responded positively to this area of EDP syllabus ie, 46% found it highly useful, 30% found it moderately useful and only 24% recorded it as less effective.

Fundamentals of project feasibility study provided guidelines on the effective analysis of feasibility of the project in view of marketing, organization, technical, financial and social aspects. Entrepreneurs were not much benefited by EDP in product idea formulation and project report preparation. The total score was less for these two inputs. Nearly 12% recorded product idea formulation as highly useful and only 10% found project report preparation as highly useful. 50% of the entrepreneurs have not benefited from financial management sessions while 34% found marketing management less effective. Nearly 48% found this session to be highly useful. One should be aware of the formalities to be complied with before starting an industrial unit. This was a very important part of EDP syllabus as it consisted of the procedure

of getting provisional as well as permanent registration, various licenses, subsidies etc. Most of the entrepreneurs found this session useful. 50% recorded it to be highly effective, 16.42% as medium and only 32.84% found it less useful.

The area of marketing was one where entrepreneurs found numerous problems. Market survey provided an opportunity to potential entrepreneurs to have an idea about the market. It was found that entrepreneurs marked positively about market survey. The total score value was maximum for market survey. More than 50% recorded it to be highly useful. Interaction with successful entrepreneurs aimed at inspiring potential entrepreneurs to start industries in the light of their experiences. But this session was not found to be much effective. Only 19% recorded it as effective. Most of the Institutions were arranging industrial visits as a part of EDP curriculum. Exposure to the industrial atmosphere was very helpful to the potential entrepreneurs. Industrial visits would be very effective if the trainees could visit those industries which were in their minds. Most of the entrepreneurs found industrial visit less effective, only 17% recorded that it was useful to them. After getting into the operational role, management of finance and marketing became the focal points.

5.23. Usefulness of EDPs

EDP Trained entrepreneurs running SSI unit were asked to mark the usefulness of EDP in starting and running the unit. Their responses are recorded in Table 5.23.

Table 5.23
How far EDP helped in Starting/Running the business

Sl. No.	Areas of help	Very low (1)	Low (2)	Medium (3)	High (4)	Very Low (5)
1	Opportunity guidance	8 (11.9)	12 (17.9)	22 (32.8)	15 (22.4)	10 (14.9)
2	Preparation of project Report	6 (9.0)	15 (22.4)	27 (40.3)	8 (11.9)	11 (16.4)
3	Infrastructural Requirements	29 (43.3)	17 (25.4)	10 (14.9)	7 (10.4)	4 (6.0)
4	Local body License	22 (32.8)	17 (25.4)	17 (25.4)	9 (13.4)	2 (3.0)
5	Laison with Govt. agencies for the speed implementation of the project	15 (22.4)	19 (28.4)	11 (16.4)	18 (26.9)	4 (6.0)
6	Assessment of working capital	6 (9.0)	22 (32.8)	20 (29.9)	13 (19.4)	6 (9.0)
7	Marketing strategies	13 (19.4)	10 (14.9)	21 (31.3)	17 (25.4)	6 (9.0)
8	Arrangement of Finance	15 (22.4)	16 (23.9)	15 (22.4)	18 (26.9)	3 (4.5)
9	Information about incentives, subsidies, sales tax etc.	6 (9.0)	10 (14.9)	24 (35.8)	14 (20.9)	13 (19.4)
10	Procurement of Raw material etc.	16 (23.9)	19 (28.4)	18 (26.9)	11 (16.4)	3 (4.5)
11	Provisional Registration	21 (31.3)	13 (19.4)	23 (34.3)	6 (9.0)	4 (6.0)
12	Permanent Registration	13 (19.4)	13 (19.4)	21 (31.3)	9 (13.4)	11 (16.4)
13	Price Fixation	23 (34.3)	18 (26.9)	13 (19.4)	7 (10.4)	6 (9.0)
14	Cost Reduction	30 (44.8)	18 (26.9)	7 (10.4)	6 (9.0)	6 (9.0)
15	Use of By products	45 (67.2)	9 (13.4)	4 (6.0)	5 (7.5)	4 (6.0)
16	Self confidence	-	5 (7.5)	15 (22.4)	24 (35.8)	23 (34.3)

(Figures in parentheses show percentages)

Five point scale was given to record the benefits of EDP in starting as well as running units. During the course of training various guidance sessions were provided for enabling the trainees to identify appropriate business opportunities. Some trainees had identified the project idea in their mind. Information and counselling on various feasible business opportunities was provided by experts 37.31% trained entrepreneurs recorded opportunity guidance as highly useful and 32.8% as of medium help.

Detailed project report preparation involved the preparation of detailed specifications and designs, engineering drawings, site investigation, foundations design and process design as well as time schedules for project implementation. 40.3% entrepreneurs marked that the help they got in this respect as medium, while 28.3% marked it as highly helpful. Help in meeting infrastructural requirements was not significant. Getting local body license was found to be helpful by 41.8%.

EDP Training provided information on support systems. The session on support systems included the procedures for approaching them, applying and obtaining assistance from them and availing of the services provided by them. 49.3% found this linkage between the training institute and various institutions as useful. Regarding the information and assessment of working capital 29.9% showed that they got medium help and 19.4% as high and 9% as very high.

Sessions on Market Survey and Marketing strategies were found to be of great help to entrepreneurs. 65.7% marked this experience as useful. 31.3% as Medium, 25.4% as high and 9% as very high. 53.8% marked arrangement of finance as helpful. Information about incentives, subsidies and sales tax exemption was another area found by entrepreneurs as highly useful compared to untrained entrepreneurs, they had to encounter less difficulty in this respect. 35.8% marked help as medium, 20.9% as high and 19.4% as very high.

The new entrepreneur will have to ensure timely flow of raw materials in anticipation of actual requirement before launching his new product into the market. He has to keep more sources of supply of the required raw materials, instead of depending on a single source of supply. In EDP training, sessions were allotted for giving information on assessment of raw material, sources of supply, where and whom to contact for raw materials, machinery etc. 17.8% entrepreneurs found these informations as helpful.

Provisional registration helps the entrepreneur to take necessary step to bring the unit into existence. It should be converted into permanent registration once the unit comes into existence. EDPs have sessions on procedure of launching a business unit handled by experts from Industries Department. For

Registration of unit, trained entrepreneurs were in a better position compared to untrained entrepreneurs. 49.3% recorded that for getting provisional registration, EDP was helpful and 61.1% experienced that EDP helped them to get Permanent Registration. Help in the areas of price fixation, cost reduction and use of by products was insignificant as EDPs by some institutions were not having sessions in these topics. In developing self confidence, EDP was highly beneficial as 92.5% marked positively – 22.4% as medium help, 35.8% as High and 34.3% as very high.

On the basis of the 5 point scale, summated score values have been calculated.

Maximum value: 80
Minimum value: 16
Range: 16-40 Low
41-60 Moderate
61-80 High

Table 5.24

Summated score value of benefits of EDP

Range	No	%
16-40	26	38.81
41.60	34	50.75
61-80	7	10.45

38.81% of entrepreneurs considered EDP to be less effective, and more than 60% recorded EDP as effective. Table 5.23 showed

that maximum help was provided in the areas of self confidence, information about incentives, and subsidies , preparation of project report, opportunity guidance etc. More than seventy percent recorded that EDP was successful in creating self-confidence in entrepreneurs.

5.24. Influence of EDP in starting the business

The EDP Trainees running SSI units were asked whether this training had influenced them in starting the present business they were running. 10 entrepreneurs had already started the units when they participated in EDP Training. Therefore this question was irrelevant to them. Hence, responses received from 57 entrepreneurs.

Table.5.25
Influence of EDP in starting the business

Influence of EDP	No.
Very much	23 (40.35)
Much	26 (45.61)
Not Much	6 (10.53)
Not at all	2 (3.51)
Total	57 (100.0)

(Figures in parentheses show percentages)

Out of 57 entrepreneurs 40.35% felt that EDP had influenced them very much in launching enterprise. 45.61% felt that EDP had

influenced them much while 10.53% felt that EDP had not much influenced and 3.51% responded that EDP had not at all influenced them in starting unit.

Influence of EDP in starting business was analysed on the basis of respondents' educational qualification.

5.25. Influence of EDP/Educational Qualification

Table.5.26

Influence of EDP/Educational Qualification

Educational qualification	Very Much	Much	Not Much	Not at all	Total
SSLC	4	5	3	-	12
Degree	13	14	2	-	29
Technical/Professional	6	7	1	1	15
Total	23	26	6	-	57

Out of 12 entrepreneurs who were educated upto SSLC, 9 (75%) felt that EDP had influenced them in starting unit, out of 29 graduate entrepreneurs 27(93.10%) stated that EDP had influenced to launch the unit while. Among 15 technically qualified entrepreneurs, 13 (86.67%) responded positively. This showed that educated persons were more getting the benefit of EDP.

Duration of EDP which entrepreneurs attended varied between 3 months to 1 week. Hence influence of EDP was analysed on the basis of duration.

5.26. Influence of EDP/Duration of EDP

Table.5.27
Influence of EDP/Duration of EDP

Duration of EDP	Very Much	Much	Not Much	Not at all	Total
3 Months	5	2	1	-	8
2 Months	-	-	-	-	-
1 Months	14	15	2	2	33
6 Weeks	2	3	2	-	7
2 Weeks	2	5	1	-	8
1 Week	-	1	-	-	1
Total	23	26	6	2	57

Out of 8 entrepreneurs who attended 3 months EDP, 7(87.5%) admitted that EDP had been beneficial to them. Out of 33 entrepreneurs who participated in one month's EDP (87.88%) strongly believed that EDP had influenced them in starting unit.

Among 7 entrepreneurs who attended 6 weeks EDP, 5(71.43%) 8 entrepreneurs who participated in 2 weeks EDP, 7(87.5%) responded that EDP had influenced them. Majority who responded positively were those who attended one months EDP.

5.27. Time gap between getting the training and starting the business

Table.5.28
Time gap between getting the training and starting the business

Time gap	No.
Less than 1 year	42 (73.68)
1-2 years	11 (19.30)
2-3 years	2 (3.51)
More than 3 years	2 (3.51)
Total	57 (100.0)

(Figures in parentheses show percentages)

Entrepreneurs were asked how much time they took for venture launching after getting training. 73.68% entrepreneurs took less than one year for launching unit, 19.30% took 1-2 years, while 3.51% could start unit after 2-3 years of undergoing EDP and only 3.51% took more than 3 years. This was an indication that EDP had helped trainees to launch the enterprise.

5.28. Education qualification/ Gestation period

Table.5.29
Education qualification/ Gestation period

Gestation period	SSLC	Degree	Tech/Professional	
< 1 year	7	25	10	42
1-2 years	4	3	4	11
2-3 years	1	1	-	2
> 3 years	-	2	-	2
Total	12	31	14	57

Table 5.29 relates gestation period of the units with qualification of the entrepreneurs. Out of 42 respondents who could start unit within 1 year of getting training 59.52% were graduates, 16.67% were educated upto SSLC and 23.81% were Technical entrepreneurs.

Among those who had started units within one year of getting training, Graduates constituted the maximum. This showed that formal education helped the entrepreneurs in completing the promotional activities comparatively quickly.

Gestation period was analysed with the duration of the Training Programme which is given in the Table 5.30.

5.29. Gestation Period/ Duration of EDP

Table. 5.30
Gestation Period/ Duration of EDP

Duration of EDP	<1 year	1-2 years	2-3 years	>3 years	Total
3 months	6	1	1	-	8
2 months	-	-	-	-	-
1 months	26	7	-	-	33
6 weeks	4	3	-	1	8
2 weeks	5	-	1	1	7
1 week	1	-	-	-	1
Total	42	11	2	2	57

Those who attended one month's EDP took less time for starting the unit, ie, all the 33 entrepreneurs started unit within 2 years of training.

5.30. Need for Further Training

Entrepreneurs were asked to record how often do they feel further training necessary. Their responses are recorded in the Table.

Table. 5.31
Need for further Training

Need for further training	Job works	Manufacturing & Marketing	Service	Total
Once in a year	3	19	7	29 (43.28)
Once in 2 years	1	13	9	23 (34.33)
Once in 3 years	2	4	-	6 (8.96)
Not at all	-	8	1	9 (13.43)
Total	6	44	17	67 (100.0)

(Figures in parentheses show percentages)

Entrepreneurs who were engaged in job works responded positively 50% stated that it would be better to get training once in a year, 16.67% once in 2 years and 33.33% once in 3 years. Among those who were engaged in Manufacturing and Marketing 43.18% felt the need for further training as once in a year, 29.55% once in 2 years, 9.09% once in 3 years while 18.18% stated that further training was not at all required. Among the 17 entrepreneurs who were in the service sector, 41.18% felt the need for further training once in a year, 52.94% once in 2 years and 5.88% stated that further training was not at all required. Out of 67 entrepreneurs, 43.28% felt the need for further training once in a year. Only 13.43% responded negatively that further training was not at all required. Request for EDP showed that EDP was effective

Non-entrepreneurs

5.31. Present status of Non-entrepreneurs

Responses were collected from 68 EDP trainees who are not entrepreneurs, with an objective of knowing what was their present position and how they benefited by undergoing EDP training. Information collected from them are shown in the following table.

Table 5.32
Present Status of Non-entrepreneurs

Status	No	%
Got employment	18	26.47
Ding Business/Trade	26	38.24
No Job	11	16.18
Engaged in other activities	13	19.12
Total	68	100.00

Out of 68 EDP trainees, 26.47% got employment. 9 persons in government service, 5 in private companies and 4 employed in industries. 38.24% were engaged in business and trade. 16.18% were not doing anything. They were ladies and engaged in household activities at present but they were planning to do some business of their own. 19.21%were engaged in other activities. Trainees were asked the reason why they did not start units. Their responses were recorded in the following table.

5.32. Reasons for not starting units

Table 5.33
Reasons for not starting units

Reasons	No	%
Got employment	18	26.47
Blocked in the process	25	36.77
Risk aversion	25	36.66
Total	68	100.00

Out of those who were employed some had the idea of starting unit, but when they got employment they accepted it. 36.77% actually started the initial procedures for venture launching, but due to some reasons they were blocked in the process. 36.66% did not become entrepreneurs as they were not ready to take risk.

Those who were blocked in the process were asked about the reasons whey they couldn't proceed and their responses are recorded below:

5.33. Reasons for block in the process

Table 5.34
Reasons for block in the process

Reasons	No	%
Difficulty of getting loan	15	60
Difficulty and delay in getting licenses	7	28
Infrastructure difficulties	3	12
Total	25	100

60% of trainees could not start units because of the difficulty of taking loan. Some could not give sufficient security for taking loan. 28% found getting licenses difficult. 3 trainees could not start units because of the difficulties relating to infrastructure like availability of land, building etc.

5.34. EDP benefits to those not in business

EDP trainees who were not in business were asked to respond to how much help they got from EDP training. They admitted that though they could not implement a viable project, EDP was helpful to them to some extent. Some helped their friends in project report preparation while others had helped in project identification and consultancy services. Those who were employed especially in small scale industries, stated that the knowledge of the working of small business helped them to perform their work efficiently. Out of 68 respondents 18 were employed, 11

unemployed, 26 were engaged in business/trade and 13 were engaged in other activities.

5.35. EDP benefits to those employed

Responses received from 18 EDP trainees who got employment, are recorded in Table 5.35.

Table 5.35
EDP benefit to those employed

Benefits	No of persons
Knowledge of Small enterprise functioning	8
Increase in self confidence	18
Helped other in self employment	4
Knowledge of business opportunities	11
Better performance of present job	12

All the 18 respondents stated that EDP helped them to enhance their confidence level. 12 of them reported that the knowledge which they gained in EDPs helped them in performing their jobs more effectively. 11 stated that they got the knowledge of various business opportunities and 4 of them admitted that they provided counselling and help in project report preparation to potential entrepreneurs for self employment, 8 of them reported that they got the knowledge of functioning of small enterprises.

5.36. EDP benefits to unemployed

11 unemployed respondents were females. Some were housewives and some were looking for some engagements. 3 of

them were helping the family business with the knowledge of small enterprise function they gained from EDP. 4 female respondents stated that EDP did not help them. 2 of them were still motivated to start unit and 7 agreed that their confidence has increased. They said that they could go to any office for any information after undergoing EDP. Responses received from those who were unemployed are given in Table 5.36

Table 5.36
Benefits to unemployed

Knowledge of small enterprise functioning	3
Increase in self confidence	7
Still motivated to start business	2
Assistance in family business	3
No help	4

5.37. Benefits to those engaged in Business/Trade

Table 5.37
Benefits to those engaged in Business/Trade

After performance of present activity	20
Knowledge of small enterprise functioning	18
Still motivated to start unit	4
Increase in self confidence	26
Motivating/helping others to be self employed	10

Out of 26 respondents who were engaged in business/trade 20 admitted that EDP helped them to perform the present activities efficiently. 8 respondents stated that the knowledge of the functioning of small enterprises helped them in their business. 4 of them were still planning to start units. All the 26 respondents believe that their confidence level was increased after doing EDP

training. 10 of them motivated and helped their friends to become self employed which they consider as a benefit of EDP.

5.38. EDP benefits to those engaged in other activities

Table 5.38
EDP benefits to those engaged in other activities

Knowledge of small enterprise functioning	8
Increase in self confidence	13
Still motivated to start business	3
Motivated/helped others to be self employed	3

The remaining 13 respondents were engaged in social activities, Network marketing, activities related to charitable organizations women empowerment activities etc. All the 13 trainees admitted that they gained self confidence from EDP which helped them in their social activities. They could maintain good contacts with people. 8 of them stated that they got good knowledge of the functioning of small enterprises. Three of them were still motivated to start units and they motivated/helped their friends in starting their own units.

The above discussion clearly showed that EDPs did benefit those trainees also who were not running own small scale industrial units. Out of 68 respondents, only 4% found that EDP was useless. However, vast majority of remaining 64 benefited by way of enhancing their knowledge of functioning of small enterprise,

increased self confidence better performance of present activities. Some of them were still motivated to start own unit and motivated and helped their friends to become self employed.

5.39. Follow-up

Continuous monitoring and follow up was essential for the success of any entrepreneurial development Programme. A system of monitoring at every stage of EDP needs to be built in. It is only through proper monitoring that defects and problems can be identified and removed. To evaluate the follow-up activities under taken by Training Institutions, entrepreneurs were asked to mark their responses to follow-up activities. Most of the entrepreneurs responded negatively regarding follow-up. Four methods of follow-up were specified in the questionnaire ie, Follow-up meeting, correspondence, visit by Trainers and problem solving through committees. Only in respect of meeting some of them responded ie; some EDP Trainees got letters after EDP. Among them very few replied to letters and attended meeting. Some of the Non-starters also attended some meetings, more than that, no follow-up activities were undertaken by Institutions.

5.40. Problems of EDPs

Trainees were asked about the problems of EDP training. Some of the them stated that they faced the language problem while

attending EDP. Class room sessions in English were found to be difficult by some trainees who had education upto SSLC. Another problem was related to industrial visit which formed part of EDP syllabus. Trainers complained that they could not get a chance to visit the type of industry which they intended to start. In sessions handled by Managers of lead banks, they explained the procedure of taking loans and prompted them to approach them. But when they approached them for loans, they were not given any preference and consideration. Same was the experience when they approached various officials for getting licenses and permissions. It was found that only in product-cum-process EDPs, practicals were provided. In other EDPs, no practicals classes were given to those who intended to start manufacturing units.

There was validity in the argument that the number of units set up and proportions of those successful financially should not be the only criterion of finding the performance and impact of the Entrepreneurship Development Programmes. The fact that less than 25% of the selected trainees often set up enterprises and even if only half of them survive and grow, the strategy still makes valuable contributions, according to some EDP organizers. Much depends upon the objectives and the local environment where the exercise is carried out. Productive self employment of a large number of unemployed, frustrated graduates, unsettled tribals,

neglected women, poor artisans and craftsmen, skilled but struggling employees are valuable socio-economic gains. The long run impact of success of even a few may have a multiplier effect. The cost of resources and the loss or wastage involved, when only a small proportion set up and succeed in enterprises, is therefore, a matter of relevant cost benefit appreciation.

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A STUDY ON THE EFFECTIVENESS OF ENTREPRENEURIAL DEVELOPMENT PROGRAMMES FOR THE DEVELOPMENT OF SMALL SCALE INDUSTRIES IN KERALA

THESIS
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COMPARATIVE ANALYSIS OF TRAINED AND UNTRAINED ENTREPRENEURS

CHAPTER - VI

COMPARATIVE ANALYSIS OF TRAINED AND UNTRAINED ENTREPRENEURS

This chapter aims at comparing entrepreneurs who started their units after undergoing EDPs with entrepreneurs who started their units without any entrepreneurship training. For this, data were collected from a matching group of entrepreneurs. The parameters used for identification of the comparison group, in order to maintain its nearest possible homogeneity with the group of EDP trained entrepreneurs are:-

(1) Location of the Units,

(2) Product Line

(3) Starting of Commercial production

(4) Initial investment in plant and Machinery

The data collected were subjected to a few limitations which had to be kept in mind while drawing inferences. Data on financial aspects were not very reliable. Majority of the EDP trainees who started their ventures refused to divulge finance related information such as investment, sales, profit etc. Data collected from comparison group also suffered from these limitations.

EDPs were offered to various target group with a view to motivate programme participants for starting their ventures and

managing them successfully. During the programmes ED organizations tried to provide such information and knowledge to trainees which could help them in quickening the process of enterprise setting up and enterprise management. It was therefore logical to expect better entrepreneurial performance from trained entrepreneurs. There were 67 trained entrepreneurs who were compared with 67 untrained entrepreneurs.

Comparative profile of entrepreneurs and their units

6.1. District-wise Distribution of the sample

For the purpose of comparative study, from a matching group of entrepreneurs, a sample of 67 untrained entrepreneurs from 4 districts ie Thrissur, Kozhikode, Malappuram and Ernakulam were selected. The number of respondents are shown below.

Table 6.1

District -wise Distribution of respondents

District	Trained Entrepreneurs	Untrained Entrepreneurs	Total	% of Trained entrepreneurs to the total
Thrissur	18 (26.9)	15 (22.4)	33 (24.63)	54.55
Kozhikode	32 (47.8)	30 (44.8)	62 (46.27)	51.61
Malappuram	4 (6.0)	6 (9.0)	10 (7.46)	40.00
Ernakulam	13 (19.4)	16 (23.9)	29 (21.64)	44.83
Total	67 (100.00)	67 (100.00)	134 (100.00)	50

(Figures in parenthesis show percentage)

6.2. Sex-wise Distribution

Among the 134 entrepreneurs, nearly 70% were Males and 30% were females. In the case of both Trained and untrained entrepreneurs, Males were more than Females. Though many EDPs had been conducted exclusively for women, their participation were found to be relatively less. The present study revealed that the participation of male entrepreneurs in EDPs were significantly higher than that of females (chi-square^2 = 4.252, Degree of freedom = 1).

Table 6.2

Sex-wise Distribution

Sex	Trained %	Untrained	Total
Male	41 (61.2)	52 (77.6)	93 (69.40)
Female	26 (38.8)	15 (22.4)	41 (30.60)
Total	67 (100.00)	67 (100.00	134 (100.00)

(Figures in parenthesis show percentage)

6.3. Distribution of Respondents according to location

A comparison of EDP Trained and Untrained entrepreneurs with regard to the location of their units is given in Table 6.3. In both the cases, majority of the entrepreneurs were situated in Rural area.

Table 6.3

Distribution of Respondents according to location

Location	Trained	Untrained	Total
Inside the town	26 (38.8)	19 (28.4)	45 (33.58)
Industrial Estate	3 (4.5)	6 (9.0)	9 (6.72)
Industrial area	10 (14.9)	11 (16.4)	21 (15.67)
Rural area	28 (41.8)	31 (46.3)	59 (44.03)
Total	67 (100.00)	67 (100.00)	134 (100.00)

(Figures in parenthesis show percentage)

Out of 134 entrepreneurs, 44% started their units in Rural area. Town areas were thickly populated and they found it difficult to get the permission of neighbours where manufacturing had to be conducted. Because of the fear of pollution they objected to the starting of manufacturing concerns. In the case of 67 trained entrepreneurs 41% and untrained entrepreneurs 46.3% were running their units in Rural area. Units inside the town constituted 33.58% which consisted of more service concerns like Beauty Parlour, Software development and manufacturing & marketing concerns like Garment making, emergency lamps, UPS, step-ups etc which did not make much pollution. Though Industrial Estates and Mini Industrial Estates (MIES) were situated in all the districts, out of 134 entrepreneurs, only 6 % were in Industrial Estates out of which, only 4% were trained. This showed that trained entrepreneurs were not much attracted to industrial estates. In a study it was observed that the entrepreneurs prefer to establish units

in the industrial estates and industrial areas to have better contacts with other entrepreneurs as well as to obtain the facilities of the Governmental agencies engaged in the development of small industries[1].

6.4. Caste-wise Distribution

Out of the 67 trained entrepreneurs studied 50.7% were from forward community and 49.3% belonged to the backward community. Among the untrained category 56.7% and 43.3% were from forward and backward communities respectively. No significant caste-wise variation was observed (Chi square = 0.480, Degree of freedom = 1). There were not much variations between trained and untrained entrepreneurs in respect of caste, marital status and age.

Table 6.4

Caste-wise Distribution

Community	Trained	Untrained	Total
Forward	34 (50.7)	38 (56.7)	72 (53.73)
Backward	33 (49.3)	29 (43.3)	62 (46.27)
Total	67 (100.00)	67 (100.00)	134 (100.00)

(Figures in parenthesis show percentage)

6.5. Marital Status

Majority of the entrepreneurs among both the trained and untrained were married. 20.9% trained and 6.% untrained entrepreneurs were not married.

Table 6.5

Marital Status

Status	Trained	Untrained	Total
Single	14 (20.9)	11 (16.4)	25 (18.66)
Married	53 (79.1)	56 (83.6)	109 (81.34)
Total	67 (100.00)	67 (100.00)	134 (100.00)

(Figures in parenthesis show percentage)

The marital status was found to have no significant influence in starting industries among trained and untrained. (chi-square value = 0.443, df = 1)

6.6. Age-wise Distribution

Among the sample entrepreneurs, only 12.69% were below the age of 30 and majority belonged to the age group of 30-40.

Table 6.6

Age-wise Distribution

Age	Trained	Untrained	Total
<30	10 (14.9)	7 (10.4)	17 (12.69)
30-40	37 (55.2)	38 (56.7)	75 (55.97)
40-50	20 (29.9)	22 (32.84)	42 (31.34)
>50	-	-	-
Total	67 (100.00)	67 (100.00)	134 (100.00)

(Figures in parenthesis show percentage)

Table 6.6 showed that both trained and untrained entrepreneurs in the middle age group (30-40) had significantly high entrepreneurship trend (chi-square value = 3.568, df = 3)

6.7. Religion-wise Distribution

Among the sample entrepreneurs of four districts the Hindus constituted maximum (55.97%), the Christians came second (25.37%) followed by the Muslims (18.66%).

Table 6.7

Religion-wise Distribution

Religion	Trained	Untrained	Total
Hindu	37 (55.2)	38 (56.7)	75 (55.97)
Christian	16 (23.9)	18 (26.8)	34
Muslim	14 (20.9)	11 (16.4)	25
Total	67 (100.00)	67 (100.00)	134 (100.00)

(Figures in parenthesis show percentage)

6.8. Educational Qualification

Educational background of trained and untrained entrepreneurs is presented in table 6.8.

Table 6.8

Educational Qualification

	Trained	Untrained	Total
SSLC	17 (25.0)	14 (20.9)	31 (23.13)
Degree	35 (52.3)	37 (55.2)	72 (53.74)
Technical/Professional	15 (22.4)	16 (23.9)	31 (23.13)
Total	67 (100.00)	67 (100.00)	134 (100.00)

(Figures in parenthesis show percentage)

As was evident from the table entrepreneurs in this study were generally well educated. In respect of both Trained and

Untrained entrepreneurs, majority (53.74%) were graduates, 23.13% were in the group of SSLC and 23.13% were having technical qualifications.

6.9. Family background

One of the major objectives of EDPs is to create first generation entrepreneurs. Family background of trained and untrained entrepreneurs were compared in the following table.

Table 6.9

Family background

Family background	Trained	Untrained	Total
Agriculture	14 (20.9)	13 (19.4)	27 (20.15)
Business	17 (25.0)	19 (28.4)	36 (26.87)
Industrial	5 (7.5)	13 (19.4)	18 (13.43)
Service	11 (16.4)	9 (13.4)	20 (14.93)
Govt. Job	20 (29.9)	13 (19.4)	33 (24.63)
Total	67 (100.00)	67 (100.00)	134 (100.00)

(Figures in parenthesis show percentage)

Table.6.9 showed that 47.76% of untrained entrepreneurs were either from business or industrial background, compared to 32.84% trained. Among the EDP trained entrepreneurs, majority were those whose parents were Government employees (29.9%), 20.9% with an agricultural background and 16.4% from service

sector. Among the untrained group, 19.4% with Govt. Job and 13.4% from service sector. It was observed that persons without business background were also coming up in a sizeable number as entrepreneurs. Out of 18 entrepreneurs who had industrial background, only 5 were EDP Trainees. This showed that EDPs were not popular among those who had industrial/business background. EDPs mainly aim at First generation entrepreneurs and second generation entrepreneurs seldom attended training programmes.

6.10. Family Structure

There was a tendency traditionally on the part of industrialists to live in joint families, so that each member of the family would contribute and support one way or the other. It was generally believed that entrepreneurs coming from joint families experienced less strain than entrepreneurs from a nuclear family. Contrary to this, the preset study showed a different trend.

Table 6.10

Family Structure

	Trained	Untrained	Total
Joint	24 (35.8)	25 (37.3)	49 (36.57)
Nuclear	43 (64.2)	42 (62.7)	85 (63.43)
Total	67 (100.00)	67 (100.00)	134 (100.00)

(Figures in parenthesis show percentage)

63.43% entrepreneurs were from Nuclear families. Recent studies supported this. A study on women entrepreneurs[2] found that Nuclear family structure was more pre-dominant to that of joint family structure.

There was no significant variation between Trained and Untrained entrepreneurs in this respect (chi-square = 0.032, Degree of freedom =1). Only 36% were from Joint families. This goes with the preset trend that people prefer individual and independent units rather than joint families[3].

6.11. Age at the Commencement of the unit

Majority of the trained entrepreneurs started their unit at the age group of below 30(47.8%), whereas majority of the untrained entrepreneurs fall in the age group of 30-40.

Table 6.11

Age at the Commencement of the Unit

Age	Trained	Untrained	Total
< 30	32 (47.8)	29 (43.3)	61 (45.52)
30-40	27 (40.3)	31 (46.3)	58 (43.28)
40-50	8 (11.9)	7 (10.4)	15 (11.20)
> 50	-	-	-
Total	67 (100.00)	67 (100.00)	134 (100.00)

(Figures in parenthesis show percentage)

Average age in respect of Trained group was 30.33 and untrained group was 30.40. Similar observations were made in a previous study[4], and the average age of women entrepreneurs at the time of starting enterprise was 31.88 years.

6.12. Occupation before establishing Unit

Prior occupation an entrepreneur had direct as well as effective link with the present occupation[5+]. An attempt was made to know the entrepreneur's previous occupation before establishing the present unit.

Table 6.12

Occupation before establishing Unit

Occupation	Trained	Untrained	Total
Studying	13 (19.4)	9 (13.4)	22 (16.42)
No Job	28 (41.8)	19 (28.4)	47 (35.07)
Employed in Industry	17 (25.4)	22 (32.8)	39 (29.10)
Running own unit	5 (7.5)	10 (14.9)	15 (11.19)
Business/Trade	4 (6.0)	7 (10.4)	11 (8.22)
Total	67 (100.00)	67 (100.00)	134 (100.00)

(Figures in parenthesis show percentage)

As seen from the table, of the total 134 entrepreneurs studied 35% had no jobs, 29.10% were employed in Industry, 16% were students, 11% were running own unit and 8% were engaged in

Business/Trade. 48.51% were in some way or the other connected with Business/Industry. Among the trained entrepreneurs majority (41.8%) had no jobs before starting the units, 24.4% were employed in industry, 19.4% were studying, 7.5% were running own units and 6% were engaged in business or trade. Among the untrained majority 32.85% were employed in industry, 28.4% were jobless, 14.9% were running own units, 13.4% were studying and 10.4% were engaged in business or trade. This showed that previous experience in industry and business appeared to provide some appreciable inducement to entrepreneurship.

6.13. Year of establishment and Number of units started

Table 6.13

Year of Establishment and Number of units started

Year	No. of units		Total
	Trained	Untrained	
1994	8 (11.94)	11 (16.42)	19 (14.18)
1995	6 (9.0)	8 (11.94)	14 (10.45)
1996	27 (40.30)	24 (35.82)	51 (38.06)
1997	16 (23.88)	14 (20.90)	30 (22.39)
1998	10 (14.93)	10 (14.93)	20 (14.93)
Total	67 (100.00)	67 (100.00)	134 (100.00)

(Figures in parenthesis show percentage)

It was clear from the table 6.12 that maximum units were registered in 1996(38.06%). The pace of industrialization was low

in 1995. During the years 1996 and 1997, units set-up by Trained entrepreneurs were more than untrained entrepreneurs.

6.14. Nature of business

On the basis of nature of business entrepreneurs were categorized into three – those who were doing Job Work, engaged in Manufacturing and Marketing and in Service Sector (table-6.14).

Table 6.14

Nature of Business

Nature of business	Trained	Untrained	Total
Job works	6 (8.96)	8 (11.94)	14 (10.45)
Manufacturing & Marketing	47 (70.15)	51 (76.12)	98 (73.13)
Service	14 (20.89)	8 (11.94)	22 (16.42)
Total	67 (100.00)	67 (100.00)	134 (100.00)

(Figures in parenthesis show percentage)

Of the total sample of 134 entrepreneurs, more than 70% were engaged in manufacturing and marketing. In the Service sector, trained entrepreneurs constituted 20.89% while the untrained group in this sector had come to 11.94%. This indicated that EDP had been effective in service sector. Comparing to manufacturing & marketing sector the risk involved was less in the service sector.

6.15. Type of Organisation

Form of organization generally had a bearing on all aspects of an enterprise as managing the enterprise ultimately depended on

whether it was a sole proprietorship or partnership or a joint stock company. In the case of sole proprietorship, financial constraints and in the case of partnership and co-operative firms, co-ordination and expansion problems came in the way of efficient management of enterprise activity.

Table 6.15

Type of Organisation

	Trained	Untrained	Total
Sole proprietorship	56 (83.6)	48 (71.6)	104 (77.61)
Partnership	5 (7.5)	16 (23.9)	21 (15.67)
Private Company	4 (6.0)	2 (3.0)	6 (4.48)
Co-operative Society	2 (3.0)	1 (1.5)	3 (2.24)
Total	67 (100.00)	67 (100.00)	134 (100.00)

(Figures in parenthesis show percentage)

The typical form of organization structure in the small scale industries appeared to be of proprietary ownership. Out of 134 sample units, sole proprietorship accounted for 77.61%. The form of organization was based on certain factors like capital invested and scale of operation. Partnership accounted for 15.67% and the other types were very few. More than 80% of Trained entrepreneurs started sole proprietorship where as only 7.5% were partnerships. The typical form of organization structure in the small-scale industries appeared to be of proprietary ownership. Similar organizational pattern was observed among the untrained

category also (table 6.15) Where as in a study conducted in Punjab, 60% of the establishments were partnership firms and it was found that partnership form organization helped the entrepreneurs in overcoming initial problems of risk in capital and managerial/technical manpower while the sole proprietors tended to avoid interference of partners and were themselves financially sound[6].

6.16. Number of persons employed

Table 6.16

No. of Persons employed

No. of persons employed	Trained	Untrained	Total
< 5	34 (50.7)	17 (25.4)	51 (38.06)
5-10	20 (29.9)	23 (34.3)	43 (32.09)
10-20	7 (10.4)	14 (20.9)	21 (15.67)
20-30	1 (1.5)	8 (11.9)	9 (6.72)
30-40	1 (1.5)	-	1 (0.75)
40-50	3 (4.5)	5 (7.5)	8 (5.97)
>50	1 (1.5)	-	1 (0.75)
Total	67 (100.00)	67 (100.00)	134 (100.00)

(Figures in parenthesis show percentage)

The table 6.16 showed the employment being generated in the small scale sector under study. Majority of units run by trained entrepreneurs had offered employment to less than 5 persons

(50.7%) while the untrained group generated job opportunities for 5-10 persons (34.3%).

6.17. Initial investment in Plant & Machinery

Table 6.17

Initial investment in Plant & Machinery

Initial investment (in lakhs)	Trained	Untrained	Total
< 5	48 (71.6)	39 (58.2)	87 (64.93)
5-10	11 (16.4)	9 (13.4)	20 (14.93)
10-20	-	7 (10.4)	7 (5.22)
20-30	-	4 (6.0)	4 (3.00)
30-50	6 (9.0)	6 (9.0)	12 (8.96)
50-75	1 (1.5)	2 (3.0)	3 (2.24)
75-100	1 (1.5)	-	1 (0.75)
Total	67 (100.00)	67 (100.00)	134 (100.00)

(Figures in parenthesis show percentage)

Table 6.17 presented the analysis of initial investment in the enterprise by 134 entrepreneurs selected for the study. The extent of capital investment depends naturally on the nature of units. It has been a general feeling that the ratios of fixed and working capital depend on the nature of industry. Service undertakings require generally lesser capital. Where the service unit required the installation of some machines and provision of certain basic infrastructure, the investment in fixed capital would be more. Out

of 134 units, the capital investment was less than Rs.5 lakhs in as many as 87 enterprises. Among the trained entrepreneurs 88% and untrained entrepreneurs 71.6% invested below 10 lakhs.

6.18. Average Annual Turnover

Table 6.18

Average Annual Turnover

Annual Turnover (In Lakhs)	Trained (T)	Untrained (U)	Total
< 5	38 (56.7)	29 (43.3)	67 (50.00)
5-10	11 (16.4)	8 (11.9)	19 (14.18)
10-20	5 (7.5)	5 (7.5)	10 (7.46)
20-30	3 (4.5)	6 (9.0)	9 (6.72)
30-40	4 (6.0)	2 (3.0)	6 (4.48)
40-50	3 (4.5)	8 (11.9)	11 (8.21)
>50	3 (4.5)	9 (13.4)	12 (8.95)
Total	67 (100.00)	67 (100.00)	134 (100.00)

(Figures in parenthesis show percentage)

Table 6.18 showed the distribution of average annual turnover for the past 3 years. 50% of the total units were in the group of less than Rs.5 lakhs. In the case of investment and annual turnover, correct data were not provided by the entrepreneurs. Hence getting accurate result was difficult.

6.19. Motivational Factors

Motivation is psychological technique of executing the plans and policies through the efforts of others. It is a means of triggering human desire to do. It is through motivation that the small entrepreneur inspires the subordinates to do what he wants them to do. Therefore, motivation has a definite effect on starting/attracting small-scale industries in a backward region.

According to Prof. Sharma, a vast majority of the new entrepreneurial class was prompted to enter industry mainly because of 3 factors:

(1) They had a strong desire to do something independent in life;

(2) They possessed technical knowledge or trading or manufacturing experience in the same or related line; and

(3) Governmental and institutional assistance became available to those who would have, perhaps, otherwise not taken to entrepreneurial activity. There is another class of people who had no inclination but came just fortuitously[7].

Some studies indicated that at small scale level, profit motive inspired small scale entrepreneurs[8]. Both Trained and Untrained entrepreneurs were asked about the factors which motivated them to

establish the present industry. They were requested to distribute 100 points according to the importance of these factors to them. The responses are recorded in Table 6.19. Previous experience in any related field would help the entrepreneurs to achieve success in the activity.

Table 6.19

Motivational Factors

Motivational Factors	Upto to 20 Very low		21-40 Low		41-60 Medium		61-80 High		81-100 V. High	
	T	U	T	U	T	U	T	U	T	U
Acquired skill	41 (61.19)	41 (61.19)	16 (23.88)	2 (3.00)	6 (9.00)	10 (14.93)	1 (1.50)	9 (13.43)	3 (4.5)	5 (7.5)
Profit Motive	-	-	8 (11.94)	15 (22.39)	22 (32.84)	14 (20.90)	9 (13.43)	8 (11.94)	28 (41.79)	30 (44.77)
Prior Industrial/Business experience	36 (53.73)	30 (44.77)	8 (11.94)	1 (1.50)	7 (10.4)	3 (4.5)	3 (4.5)	9 (13.43)	13 (19.40)	24 (34.82)
Help from Promotional Agencies	34 (50.75)	.57 (85.07)	8 (11.94)	6 (9.00)	13 (19.4)	3 (4.5)	5 (7.5)	-	7 (10.4)	1 (1.50)
Availability of Raw material	46 (68.66)	46 (68.66)	10 (14.93)	6 (9.00)	6 (9.00)	8 (11.94)	2 (3.00	2 (3.00)	3 (4.5)	5 (7.5)
Labour & Infrastructural facilities	40 (59.70)	42 (62.69)	13 (19.40)	11 (16.41)	9 (13.43)	7 (10.4)	2 (3.00)	3 (4.5)	3 (4.5)	4 (6.0)
Continuation of family business	61 (91.04)	57 (85.07)	1 (1.50)	3 (4.5)	1 (1.50)	2 (3.00)	1 (1.50)	2 (3.00)	3 (4.5)	3 (4.5)
Business interest/ to be independent	15 (22.39)	35 (52.24)	3 (4.5)	2 (3.00)	8 (11.94)	2 (3.00)	10 (14.93)	3 (4.5)	31 (46.27)	25 (37.31)

(Figures in parenthesis show percentage)

Analysis of motivational factors revealed that help from promotional agencies was a significant factor in motivating the EDP trained entrepreneurs in launching their own unit. It was clear

that EDP training instilled self confidence in trained entrepreneurs that more than 70% of them wanted to be economically independent and interested in starting business, while out of the untrained, only 44.78% were in this group.

Acquired skill motivated 10 (14.92%) trained entrepreneurs and 24 (35.82%) untrained entrepreneurs. Profit motive motivated 59 (88.06%) Trained and 52 (77.61%) untrained entrepreneurs. Previous experience in any related field would help the entrepreneurs to achieve success in the activity. They gained confidence out of previous experience. Prior industrial/business experience prompted 23 (34.33%) Trained and 36 (53.73%) untrained entrepreneurs. Help from promotional agencies was considered significant by 25 (37.31%) EDP trained entrepreneurs while only 4 (6.00%) untrained entrepreneurs were inspired by this factor. Availability of raw materials prompted 11 (16.42%) Trained entrepreneurs and 15 (22.39%) untrained entrepreneurs. Labour and infrastructural facilities was a motivating factor for 14 (20.90%) trained and 14 (20.90%) untrained entrepreneurs. Continuation of family business was the main facilitating factor for 5 (7.5%) and 7 (10.45%) untrained entrepreneurs. This was not a significant factor. Business interest and to be independent was a strong motivating factor for 49 (73.13%) EDP trained and 30 (44.78%) untrained entrepreneurs).

6.20. Techno - Economic/Market Survey

Market survey implied a systematic and rational study of markets to collect information relevant for making decisions concerning marketing. It involved the objective and critical analysis of markets in terms of their size, location sales potential, degree of competition etc. Market surveys provided a factual basis for marketing planning and control. Techno-economic survey was conducted to assess the technical, economic and commercial feasibility of the project prior to its selection. Entrepreneurs were asked whether they had conducted techno-economic/Market Survey before the launching of business enterprise.

Table 6.20

Techno-Economic Survey

Response	Trained	Untrained	Total
Yes	45 (67.2)	30 (44.8)	75 (55.03)
No	22 (32.8)	37 (55.2)	59 (44.03)
Total	67 (100.00)	67 (100.00)	134 (100.00)

(Figures in parenthesis show percentage)

Among the trained entrepreneurs 67.2% and 44.8% of untrained entrepreneurs conducted this survey. Conducting of Market Survey was one of the course contents of EDP, still 32.8% of Trained entrepreneurs did not conduct any survey.55.2% untrained entrepreneurs had not conducted any market survey before the launching of the unit.

6.21. Untrained Entrepreneurs – Reasons for not attending Training Programme

Untrained entrepreneurs were asked to state the reason for not attending EDP and their responses are recorded below

Table 6.21

Untrained Entrepreneurs – Reasons for not attending Training Programme

Reasons	No.
Not aware of it	34 (50.75)
Did not find time	6 (9.0)
Duration not convenient	2 (3.0)
Felt not necessary	18 (26.87)
Course not relevant	7 (10.45)
Total	67 (100.00)

(Figures in parenthesis show percentage)

Out of 67 entrepreneurs, 51% stated their reason for not attending EDP was that they were not aware of this training Programme. This showed that the publicity of this programme was inadequate. Nearly 40% did not feel the necessity of undergoing training or that the course was not relevant. From the discussion, it was found that these entrepreneurs, neither knew anything about training nor discussed with trained persons. This was a clear indication of ineffective awareness programmes in this field.

6.22. Problems in Starting and conducting Business

The growth and development of small sector units have been constrained by several factors including technological obsolescence, inadequate and irregular supply of raw materials, lack of organized marketing channels, imperfect knowledge of market conditions, unorganized nature of operations, inadequate availability of credit, constraints of infrastructural facilities including power and deficient managerial and technical skills. There has been lack of effective co-operation among the various support organizations set up over the period for the promotion and development of these small industries and quality consciousness has not been generated to the desired level. Beginning from the project identification, project report preparation going through the complex processes of getting licenses, registration acquisition of factors of production and finally implementation of the project was a challenge to an entrepreneur. He had to bear with the risk inherent in every stage of implementing a viable scheme. Both trained and untrained entrepreneurs asked to mark their problems they had to encounter at the time of starting and running the business. They were requested to distribute 100 points according to the intensity of problems. The responses are tabulated and shown in Table 6.22

Table 6.22
Problems in Starting/Running the Business

Problems	Upto 20 Very Low		21-40 Low		41-60 Medium		61-80 High		81-100 Very high	
	T	U	T	U	T	U	T	U	T	U
Project Identification	53 (79.10)	61 (91.04)	10 (14.93)	1 (1.50)	1 (1.50)	2 (3.00)	1 (1.50)	-	2 (3.00)	3 (4.5)
Raw material, Infrastructure etc.	36 (53.73)	39 (58.21)	16 (23.88)	7 (10.4)	4 (6.00)	11 (16.41)	3 (4.5)	5 (7.5)	8 (11.94)	5 (7.5)
Registration	39 (58.21)	30 (44.77)	11 (15.41)	12 (17.91)	10 (14.93)	11 (16.41)	3 (4.5)	5 (7.5)	4 (6.00)	9 (13.43)
Project Report Preparation	54 (80.60)	54 (80.60)	10 (14.93)	10 (14.93)	2 (3.00)	2 (3.00)	-	-	-	1 (.5)
Technical/Managerial	48 (71.64)	54 (80.60)	11 (16.41)	6 (9.00)	5 (7.5)	3 (4.5)	1 (1.5)	2 (3.00)	1 (1.5)	2 (3.00)
Marketing	40 (59.70)	41 (61.19)	14 (20.90)	9 (13.43)	4 (6.00)	6 (9.00)	2 (3.00)	-	7 (10.4)	11 (16.41)
Contact with officials	25 (37.31)	27 (40.30)	16 (23.88)	5 (7.5)	7 (10.4)	11 (16.41)	7 (10.4)	6 (9.00)	12	18
Assessment of working capital	36 (53.73)	41 (61.19)	9 (13.43)	2 (3.00)	7 (10.4)	10 (14.93)	5 (7.5)	5 (7.5)	11 (16.41)	9 (13.43)
Labour Management	47 (70.15)	45 (67.16)	11 (16.41)	10 (14.93)	6 (9.00)	7 (10.4)	-	-	4 (6.00)	5 (7.5)
Financial Management	28 (41.79)	46 (68.66)	15 (22.39)	10 (14.93)	12 (17.91)	6 (9.00)	4 (6.0)	2 (3.00)	8 (11.94)	3 (4.5)
Govt. policies	37 (55.22)	36 (53.73)	14 (20.90)	10 (14.93)	8 (11.94)	2 (3.00)	1 (1.5)	9 (13.43)	7 (10.4)	10 (14.93)

(Figures in parenthesis show percentage)

Project identification was found to be a problem at the time of starting the unit by 6% trained and 7.5% untrained entrepreneurs. Availability of Raw material, Labour and infrastructure were problems for 22.40% trained and 31.34% untrained entrepreneurs. Registration was difficult for 25.37% trained and 37.31% untrained entrepreneurs. Project report preparation was found to be difficult for 3% trained and 4.5% untrained entrepreneurs. Technical and Managerial problems were experienced by 10.45% trained and 10.45% untrained entrepreneurs. Marketing problems were relatively less for trained than untrained entrepreneurs (19.40% and 25.37% respectively).

Contact with officials was a problem for only 38.81% among the trained while 52.24% untrained entrepreneurs encountered this problem. Trained entrepreneurs during and after EDP got exposure to various support systems and other offices and they were in a better position compared to untrained entrepreneurs. Assessment of working capital was difficult for 34.33% trained and 35.82% untrained entrepreneurs. Labour management was a problem for 14.93% trained and 17.91% untrained entrepreneurs. Financial Management was more difficult for trained comparing to untrained entrepreneurs (35.82%, 16.42% respectively). Government policies was found to be a problem by 23.88% trained and 31.34% untrained entrepreneurs.

It was apparent that less trained entrepreneurs experienced difficulty in Registration, compared to untrained entrepreneurs. This was one impact of EDP training, as they had sessions on Registration procedures, whom to contact, where to contact etc.

6.23. Problems of Small Entrepreneurs

With an understanding of problems faced by a large of small businesses, owner/managers might prepare themselves through a variety of activities such as information searching, education and training to handle the issues. Understanding the problem pattern also helped training organizations and external consultants to

identify areas for training and consulting and ultimately direct policy makers to the areas of greatest potential for improvement in the sector.

6.24. Problems of Finance

Finance is the life blood of business. One important problem in finance was that goods had to be sold on credit. Getting loan from financial institutions was another problem. Service firms had fewer problems in financing and operations management, while small manufacturing firms encountered more problems in financing and fewer problems in human resource management than their larger counterparts.

Table 6. 23

Problems of Finance

Problems	Upto 20		21-40		41-60		61-80		81-100	
	T	U	T	U	T	U	T	U	T	U
1. Shortage of finance for W.C.	23 (34.3)	26 (38.8)	11 (16.4)	15 (22.4)	25 (37.3)	20 (29.8)	3 (4.5)	5 (7.5)	5 (7.5)	1 (1.5)
2. Shortage of F.C.	34 (50.7)	38 (56.7)	18 (26.9)	12 (17.8)	15 (22.4)	13 (19.5)	-	4 (6.0)	-	-
3. High Rates of Interest	25 (37.3)	28 (41.8)	15 (22.4)	10 (14.7)	21 (31.4)	24 (35.8)	1 (1.5)	2 (3.0)	5 (7.5)	3 (4.5)
4. Meagre assistance from Govt.	38 (56.7)	42 (62.7)	25 (37.3)	18 (26.5)	2 (3.0)	5 (7.5)	2 (3.0)	-	-	2 (3.0)
5. Getting subsidy	43 (64.2)	38 (56.7)	19 (28.5)	14 (20.9)	5 (7.5)	13 (19.5)	-	-	-	2 (3.0)

(Figures in parenthesis show percentage)

Working capital was necessary for day to day functioning of the business. A common problem which entrepreneurs faced was

the shortage of finance for working capital. In job works and service sector, working capital was not a problem, whereas in manufacturing and marketing sector, since most of the transactions were carried out on credit terms, working capital was a problem. Entrepreneurs experienced difficulty in collection of debt. Delay in collection of debt results in working capital deficiency. 49.2% trained entrepreneurs and 38.8% untrained entrepreneurs experienced shortage of working capital. Fixed capital was necessary for acquisition of fixed assets and for expansion of business. 22.5% trained entrepreneurs and 25.4% untrained entrepreneurs encountered shortage of fixed capital. Interest on loan was a statutory obligation that was payable irrespective of financial situation of the firm. Small entrepreneurs found high rates of interest on loans very difficult. Both trained and untrained entrepreneurs complained that the rates charged on loans were very high. 40.3% trained and 43.3% untrained entrepreneurs experienced this problem.

6% trained entrepreneurs and 10.5% untrained entrepreneurs experienced the problem of meagre assistance from Government. 7.5% trained and 22.5% untrained entrepreneurs faced the problem of subsidy. In this respect, trained entrepreneurs benefited by EDP training. In EDP sessions, they got sufficient information about

subsidy and concessions and they knew whom to approach, how to apply, when to apply etc.

Both trained and untrained entrepreneurs suggested that financial help for high interest rate should be reduced. The procedure of loan disbursal should be simplified. Some complained of the discouraging attitude of financial Institutions.

6.25. Problems in Marketing

Marketing by small scale entrepreneurs was always a problem and had many limitations due to scale of operations. It was the functional area which was to be given maximum weightage as it was through that, one realized the entrepreneur's ambitions.

Table 6.24

Problems in Marketing

Problems	Upto 20		21-40		41-60		61-80		81-100	
	T	U	T	U	T	U	T	U	T	U
1. Competition from small firms	27 (40.3)	28 (41.8)	17 (25.37)	17 (25.37)	22 (32.84)	16 (23.88)	-	3 (4.5)	1 (1.5)	3 (4.5)
2. Competition from large firms	22 (32.8)	23 (34.3)	16 (23.88)	8 (11.9)	24 (35.8)	29 (42.6)	3 (4.5)	4 (6.0)	2 (3.0)	3 (4.5)
3. Price control	51 (76.1)	49 (73.1)	11 (16.4)	16 (23.88)	4 (6.0)	2 (3.0)	-	-	1 (1.5)	-
4. Distn. Control	55 (82.1)	62 (92.5)	8 (11.9)	5 (7.5)	3 (4.5)	-	-	-	1 (1.5)	-
5. Lack of Govt support	50 (74.6)	56 (83.6)	15 (22.4)	7 (10.3)	2 (3.0)	4 (6.0)	-	-	-	-
6. Lack of Mkg in Information	41 (61.2)	55 (82.1)	11 (16.5)	8 (11.9)	13 (19.5)	3 (4.5)	-	-	2 (3.0)	1 (1.5)
7. Lack of capacity to offer credit	54 (80.6)	30 (44.8)	5 (7.5)	14 (20.9)	6 (9.0)	19 (28.4)	1 (1.5)	2 (3.0)	1 (1.5)	2 (3.0)

(Figures in parenthesis show percentage)

Small firms were facing competition from small firms. 34.3% trained and 32.8% untrained entrepreneurs were facing this problem. Some small firms complained that they had to face competition from large firms. 42.6% trained and 53.8% untrained entrepreneurs encountered this problem. In the area of price, distribution etc, they had not recorded any difficulty. 11.9% trained and 34.3% untrained entrepreneurs stated lack of capacity to offer credit as a problem. Women entrepreneurs found it very difficult to collect debts. Most of the transactions were conducted on credit basis. Some garment manufacturers complained that in towns, street vendors were a threat to them especially during festival seasons and they suggested that this should be prohibited by order.

6.26. Problems in Raw material

A major problem that the small scale industries had to face was regarding the procurement of raw materials. They often faced the difficulty of scarcity of raw materials, high price and problem of transport.

Table 6.25

Problems in Raw material

Problems	0		1-25		26-50		51-75		76-100	
	T	U	T	U	T	U	T	U	T	U
1. Scarcity	50 (74.6)	42 (62.7)	6 (9.0)	5 (7.5)	9 (13.4)	16 (23.88)	1 (1.5)	2 (3.0)	1 (1.5)	2 (3.0)
2. High Price	40 (59.7)	37 (55.2)	3 (4.5)	8 (12.0)	10 (14.9)	12 (17.8)	2 (3.0)	2 (3.0)	12 (17.9)	1 (1.5)
3. Problem of Transport	54 (80.6)	47 (70.1)	6 (9.0)	7 (10.5)	5 (7.5)	9 (13.4)	1 (1.5)	1 (1.5)	1 (1.5)	1 (1.5)

(Figures in parenthesis show percentage)

Raw material scarcity was more experienced by untrained entrepreneurs, which showed that EDP training helped entrepreneurs to know from where to get raw materials, and whom to contact. Regarding high price of raw materials, there was not much variation in both group's reactions. 35.8% trained entrepreneurs and 32.8% untrained, entrepreneurs experienced this difficulty. Transporting of raw materials was experienced by 10.5% trained and 16.4% untrained entrepreneurs. It was clear that EDPs could help entrepreneurs in getting information regarding source of availability of raw materials.

The problem of raw materials was intimately connected with lack of adequate working capital. Sometimes the raw materials were available but entrepreneurs did not have the working capital to procure them. Some scarce raw materials were distributed by State Agencies at controlled prices.

6.27. Problems in Power

Shortage of power was a threat to the very existence of the industries in the manufacturing sector. Power cuts also affected production to a large extent. Because of acute power shortage production schedules were disturbed in small industries.

Table 6.26
Problems in Power

Problems	Upto 20		20-40		40-60		60-80		80-100	
	T	U	T	U	T	U	T	U	T	U
1. Scarcity	38 (56.7)	25 (37.3)	4 (6.0)	16 (23.88)	22 (32.84)	25 (37.31)	2 (3.0)	1 (1.5)	1 (1.5)	-
2. Uncertainty	36 (53.7)	19 (28.4)	10 (15.0)	5 (7.5)	16 (23.88)	32 (47.1)	3 (4.5)	7 (10.5)	2 (3.0)	4 (6.0)
3. High Cost	36 (53.7)	27 (40.3)	8 (12.0)	14 (20.9)	14 (20.9)	19 (28.3)	3 (4.5)	3 (4.5)	6 (9.0)	4 (6.0)

(Figures in parenthesis show percentage)

Scarcity, uncertainty and high cost of electricity were the common problems recorded by both trained and untrained entrepreneurs. 37.3% trained and 38.8% untrained entrepreneurs encountered the problem of power scarcity. 31.4% trained entrepreneurs and 64.2% untrained entrepreneurs experienced the problem of uncertainty. Frequent power failure affected production very much. Some entrepreneurs stated that it was not possible for them to use generators or other alternative arrangements to face the problem of uncertainty. 34.3% trained and 38.8% untrained entrepreneurs stated that the cost of electricity was very high and they strongly demanded that it should be reduced. They argued that high electricity charges was a threat to the very existence of small units.

6.28. Labour Problems

Labour was another area in which entrepreneurs faced a number of problems. Very often, entrepreneurs faced labour shortage situation, particularly of skilled workers.

Table 6.27

Labour Problems

	0		1-25		26-50		51-75		76-100	
	T	U	T	U	T	U	T	U	T	U
1. Training	40 (59.7)	37 (55.2)	10 (15.0)	21 (31.4)	10 (15.0)	9 (13.4)	4 (6.0)	-	3 (4.5)	-
2. Union activities	59 (88.1)	48 (71.6)	7 (10.5)	10 (15.0)	-	6 (9.0)	1 (1.5)	2 (3.0)	-	1 (1.5)
3. Turnover	44 (65.7)	35 (52.2)	8 (12.0)	9 (13.5)	12 (17.8)	19 (28.4)	1 (1.5)	2 (3.0)	2 (3.0)	2 (3.0)
4. Absenteeism	34 (50.7)	36 (53.7)	8 (12.0)	12 (18.0)	13 (19.5)	13 (19.5)	7 (10.5)	2 (3.0)	5 (7.5)	4 (6.0)

(Figures in parenthesis show percentage)

25.5% Trained and 13.5% untrained entrepreneurs recorded lack of training of workers as a problem. Entrepreneurs were not facing trade union problems. Labour turnover was a problem encountered by 22.5% trained and 34.3% untrained entrepreneurs. 37.3% trained entrepreneurs and 28.4% untrained entrepreneurs faced the problem of absenteeism.

The problems of entrepreneurs are multi dimensional. These can be solved by the co-ordinated efforts of entrepreneurs, co-ordinated functioning of promotional agencies, and governmental assistance without bureaucratic delays. The entrepreneur has to be educated and he should have a proper training in acquiring the necessary skill in running an enterprise.

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A STUDY ON THE EFFECTIVENESS OF ENTREPRENEURIAL DEVELOPMENT PROGRAMMES FOR THE DEVELOPMENT OF SMALL SCALE INDUSTRIES IN KERALA

THESIS
SUBMITTED TO THE UNIVERSITY OF CALICUT FOR THE AWARD OF THE DEGREE OF DOCTOR OF PHILOSOPHY IN COMMERCE

BY
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SUMMARY AND FINDINGS

CHAPTER - VII

SUMMARY AND FINDINGS

The main objective of this chapter is to summarise the findings of this research study and to suggest measures for the improvement of Entrepreneurial Development Programmes in the country. The observations were based on data collected from field survey and discussions made with entrepreneurs, EDP trainees, Executives of training organizations & Supporting Agencies and Trainers. Present study was therefore conceived so as to study the present practices of conducting EDPs by various organizations and determine the effectiveness of entrepreneurship training on those who attended such training. It was true that some are certainly born as entrepreneurs and not made. But it was proved by the experience of India and abroad that entrepreneurs could be produced by imparting right type of entrepreneurial and managerial training. A successful entrepreneur was he who possesses the human skills, business skills, professional skills, legal skills funds mobilizing skills, innovative & technical skills, behavioural and laison skills etc. The emphasis in future in entrepreneurial development programme should be given on the development of these skills so as to promote potential entrepreneurship in the country. The wave of

small scale industrialization in 'No Industry Districts' or 'Zero Industry Districts' was fastly strengthening with the evolution of entrepreneurial development programmes in the country. EDPs were acting as effective instruments for guiding industrial and economic development in the country and have also proved as a bonanza for tiny & small entrepreneurs. Over the last 40 years, a number of organization / institutions all over the country have conducted EDPs and created a large pool of first generation entrepreneurs in the Small Scale Sector.

In Kerala, a large number of Institutions have been functioning for the development of entrepreneurship in the Small Scale Sector. Though some studies have been conducted in some parts of India about EDPs, no such study had been conducted in this part of the country to analyse how far these training programmes have helped entrepreneurs. The present study, therefore, was undertaken with the following objectives.

1. To evaluate the effectiveness of EDPs in Kerala.
2. To assess the role of EDPs in self employment.
3. To conduct a comparative analysis between EDP trained and untrained entrepreneurs.
4. To study the problems and difficulties encountering EDPs in Kerala and suggest measures for improvement.

For the purpose of this study, samples were collected from 3 sectors ie Job works, Manufacturing & Marketing and Service. Institutions were selected on the basis of participation from different parts of the state. EDPs conducted by 6 institutions, CMD, DICs, KITCO, REC, SISI & STED formed the basis of the study. Four Districts of Kerala were selected – Ernakulam, Thrissur, Malappuram and Kozhikode and sample consisted of 202 respondents. For analyzing how far EDP was helpful, data have been collected from 135 EDP trained beneficiaries. Out of a sample of 135, 67 persons were running Small Scale Units and 68 were engaged otherwise. For making comparison data have also been collected from 67 untrained entrepreneurs.

To evaluate the effectiveness of EDPs in Kerala, Variable like selection procedure, contents of EDP syllabus, training Methodology, startup rate, Benefits given to trainees, Post training phase etc.were used. To assess the role of EDPs in self employment in addition to contents of FDP syllabus, training methodology, benefits received by trainees, variables like influence of EDPs in starting the business, Gestation period, Need for further training etc. were considered. For making comparative analysis between trained and untrained entrepreneurs, variables like caste, age, sex, family structure occupation before establishing the unit, nature of business,

No. of persons employed, year of establishment, initial investment, average annual turnover, motivational factors, Market survey, problems in starting and ring the business etc. were studied. Finally problems and difficulties of EDPs as well as small entrepreneurs were studied and suggestions were stated.

7.1. Present practices of conducting EDPs

- The present study was mainly confined to Training Programmes of Centre for Management Development (CMD), Kerala Industrial and Technical Consultancy Organisations (KITCO), Small Industries Service Institute (SISI), Science & Technology Entrepreneurship Development (STED) and District Industries Centres (DICs) which are conducting EDPs in almost all the districts of Kerala and Entrepreneurship Development Cell of Regional Engineering College, Calicut (REC) where participants from almost all the districts are attending EDPs.

7.2. Year of starting EDPs

- Out of 6 Training Institutions under study, DICs, KITCO and SISI started providing EDPs in 1970's CMD and REC in 1980's and STED in 1990's.

7.3. Number of EDPs conducted

- Six Entrepreneurship Development Organisations together conducted 167 training programmes during a period of 5 years (March 1994 to March 1999) and 4316 persons were trained.

7.4. Pre-training Activities

- Programme announcement in Newspapers one month before the programme, was the common method adopted by all the Institutions.
- Though Radio was used as one means of publicity, it was not found to be effective among EDP beneficiaries.
- Supporting organizations also publish details of Training Programmes
- Identification of viable project ideas and arranging infrastructure for smooth conduct of EDPs were also taken before starting Training Programme.

7.5. Target Groups

- Along with general EDPs, training was given to women, SC/ST, Engineers/Technical entrepreneurs and Ex-Servicemen groups.

- In this study, responses were received from General (64.7%) Engineering(4.41%) and Women(30.9%) target groups

7.6. Selection Procedure

- Training organizations gave importance to candidates Aptitude/Business interest and project idea rather than qualification and Business background at the time of selection.

7.7. Expenditure on EDPs

- It was found that all Training Organisations under study provide full time non-residential EDPs.
- Duration of the training programme varied between 3 months to one week.
- CMD, DICs, KITCO & STED were not charging any fees for training from participants, while SISI and REC were charging fees ranging between Rs.400 to Rs.600/-.
- Average in take for each programme of REC was 15-20, of DIC, SISI and KITCO were 30-35 and of CMD and STED were 25-30.
- Expenditure involved in conducting EDPs of SISI and DIC came to less than Rs.20,000, by STED and KITCO Rs.20,000 –

40,000 while CMD and REC incurred expenditure between Rs.60,000 – 80,000.

7.8. Faculty

- Faculty of EDP consisted of Academicians (22.5%) Technical/Professional (56.67%) and Government officials (20.83%)

- Training organizations own faculty and faculty from outside handles various sessions of EDP. Ratio of own faculty to faculty from outside varied between 25 : 75 to 75 : 25.

- It was found that those training organizations which promoted technical entrepreneurs had more technically qualified faculties.

7.9. Contents of EDP syllabus

- In the case of programme inputs, maximum weightage were given to market survey and market study (15%) followed by project identification (14.17%). 12.5% weightage was given to Achievement – motivation sessions which differentiates EDP from other training programmes. General awareness about planning, establishing and managing SSI units and project report preparation also got some weightage.

- Exposure to support system helped trainees to have easy access to various offices during post-training phase.

7.10. Training Methodology

- Training methodology consisted of class room sessions, industrial visits, practical and market survey. More than 60% of the time was allotted for classroom sessions.

- One Institution which used to conduct product-cum-process oriented EDP allotted major portion to practicals.

- Three Institutions admitted that they were conducting Entrepreneurial Awareness Programmes (EAPs) occasionally and one institution stated that they were conducting Entrepreneurial Awareness Programmes always while 2 Institutions organizes frequently.

- According to them, on an average, 15-20% of those who had undergone Entrepreneurship Awareness Programmes were attending EDPs.

- Though EDP was meant for potential entrepreneurs, existing entrepreneurs (7.4%) also attended EDPs when they decided to start additional units/diversification or modernization.

- Help provided by organizations to existing entrepreneurs include guidance in areas of modernization, expansion and diversification, identification of problems of the units, Management, Marketing, consultancy etc.

7.11. Benefits of EDP

- A five point scale has been used for collecting information about how much help they provide to EDP beneficiaries in setting up as well as running their own unit.

- Maximum help were given in areas of preparation of project report, marketing strategies, exposure to support system, information about incentives, subsidies and sales tax exemption, provisional and permanent Registration and Development of self confidence.

- Summated score value showed that SISI provided maximum assistance to entrepreneurs.

7.12. Start-up Rate

- Training organizations evaluation showed that a maximum of 20-30% of beneficiaries had started their own units.

7.13. Post-Training Phase

- Post training activities consisted of collection of feedback after training and follow-up methods.
- Feed back was collected by all the 6 Institutions.
- Followup activities consisted of meetings of trainees correspondences with them, visits by trainers in their units and post-training counselling.
- For analyzing follow up activities, Likert Scale Technique has been used.
- Letters convening followup meetings were sent by training organizations to trainees. But responses to these letters were very poor.
- Summated scale table showed maximum score in respect of follow up activities of SISI, Thrissur.

7.14. Problems faced by Training Organisations in Conducting EDPs

- Information relating to problems of conducting EDPs were collected by means of five point scale.

- Three Institutions experienced the problem of availability of interested participants.
- Four Institutions found conducting post training followup as a problem.
- Infrastructure for conducting EDP was a problem experienced by 4 Institutions.
- Heterogeneous background of Trainees, Low level of entrepreneurial awareness and conducting Market Survey were other problems faced by training organizations.
- Summated Score Value showed that SISI has recorded minimum problems in conducting EDPs

7.15. Impact of EDPs on entrepreneurs

For studying the effectiveness of EDPs on entrepreneurs, primary data was collected from 135 trainees of which 67 trainees (49.63%) were running units and 68 trainees (50.37%) were not running units. For the purpose of this study, data were collected from 135 trainees from 4 districts of Kerala – Thrissur, Kozhikode, Malappuram and Ernakulam who participated in EDP training conducted by 6 training institutions – CMD, DIC, KITCO, REC, SISI and STED. Out of 67 entrepreneurs, 10(7.4%) were existing

entrepreneurs at the time of undergoing EDP and 57 (42.2%) entrepreneurs started units after attending EDP.

7.16. Profile of Sample Trainees

- Out of 135 trainees 59.26% were males and 40.74% were females.
- Castewise distribution showed that 52.59% were from backward communities and 47.4% were from forward communities.
- 73.33% were married and 26.67% were not married.
- Age-wise distribution showed that 51.11% of trainees were in the age group of 30-40. 85% of the entrepreneurs were between 30-50 while non-entrepreneurs in this group constituted 66%. Higher maturity level of potential entrepreneurs acted as a facilitating factor in venture launching.
- Among the 135 EDP trainees, 48.15% were graduates, 27.41% were educated upon SSLC and 24.44% were having Technical qualification. Percentage of starters to the total showed that majority were graduates (53.85%).

7.17. Family background

- EDPs were mostly attended by those who came from business families (25.93%) agricultural families and whose parents had government jobs. (25.93%)

- Percentage of entrepreneurs to the total showed that 83.33% were with industrial background. Out of 6 trainees whose parents were industrialists, 5 started units. This showed that business/industrial background was significant in promoting entrepreneurship.

7.18. Previous occupation

- 19.4% of entrepreneurs started units after studies.

- Among these, majority (38.46%) came from business families.

- 41.8% were not doing anything before establishing unit, 25.4% were employed in industry, 7.5% were running own unit and 6% engaged in business/trade.

- Out of 17 entrepreneurs who were previously employed in industries, 6 had business/industrial background. This showed that previous experience in industry and business appears to provide some appreciable inducement to entrepreneurship.

7.19. Pre-EDP Status of non-entrepreneurs

- Before doing EDP, 44.12% were not having any job.
- 20.59% were employed in industry, 19.12% were studying, 11.76% were engaged in business/trade and 4.41% were running own unit.
- Majority of trainees (38.45%) joined for EDP after studies came from business families and in the case of trainees who were not doing anything before EDP, majority came from agricultural families (43.33%).

7.20. Nature of business

- 70.15% were engaged in manufacturing and marketing, 20.89% were in the service sector and 9% were doing job works.
- Majority of the entrepreneurs were undertaking manufacturing and marketing activities facing risk (70.15%).

7.21. Target group

- 67.41% attended General EDPs, 28.15% women EDPs and 4.44% participated in EDPs meant for engineers.
- Among the entrepreneurs, 70% were general EDP trainees, 4.5% Engineering and 25.4% women EDP trainees.

7.22. Duration of EDP

- Majority respondents (45.93%) attended one months EDP, followed by 6 weeks (14.81%) and 3 months EDP (10.37%)
- Among the entrepreneurs, majority (52.2%) attended one months EDP.

7.23. Source of information and who suggested to undergo EDP

- 74.81% of trainees came to know about EDP from news papers, 14.07% got information from friends and 8.89% from DIC.
- Programme publicity through Radio was not at all effective.
- Newspaper is found to be an effective source of information.
- Training institutions were not providing much information about EDP.
- 73.30% of the respondents undergone EDP training on their own decision, 11.11% were suggested by friends, 8.89% by DIC officials, 3.70% by bank officials.

7.24. Reasons for joining EDP

- 34.3% of the entrepreneurs joined for EDP to learn to start the business, 31.3% for improving entrepreneurial competencies.

- Only 9% of non-entrepreneurs opted for improving entrepreneurial competencies.
- 22.1% non-entrepreneurs joined for EDP only because they were unemployed compared to 10.4% entrepreneurs.
- The motives of trainees for joining EDPs had to be thoroughly assessed before their selection.

7.25. Training Methodology

- Classroom lecture was mainly used and found to be effective method for EDP training.
- Group discussions, Audio-visual aids, individual counselling and case studies were not used by many training institutions.
- Industrial visits, market survey and interaction with successful entrepreneurs were found to be some what useful.

7.26. Contents of EDP Syllabus

- Practical experience of conducting Market Survey, sessions on procedure of starting the business, Marketing Management and Entrepreneurial qualities were found to be highly useful.
- Sessions on product idea formulation, project report preparation, industrial visit, interaction with successful

entrepreneurs and Achievement motivation were not much useful.

7.27. Usefulness of EDP

- EDP trained entrepreneurs were asked to mark the usefulness of EDP in starting and running the unit.
- Five point scale was used to collect the information and summated score values calculated.
- The highest score was given to self confidence.
- The EDP helped them in getting information about incentives, subsidies and sales tax exemption opportunity guidance, preparation of project report, Marketing strategies, permanent registration and Assessment of working capital.
- Summated Score Value showed that 61.20% considers EDP as effective while 38.81% considers it as less effective.

7.28. Influence of EDP in starting the business

- Out of 57 entrepreneurs who started units after EDP, 40.35% strongly believe that EDP had influenced them very much and 45.61% felt that EDP had influenced much in starting the unit. However, 10.53% opined that EDP had not much influenced

them while 3.51% argued that EDP had not at all influenced them in launching the unit.

- When analysed on the basis of educational qualification, Out of 12 entrepreneurs studied upto SSLC, 75% Out of 29 graduates, 93.10% and out of 15 technical entrepreneurs, 86.67% admitted that EDP had influenced them in starting unit.
- On the basis of duration of EDP found that majority who responded that EDP had influenced them in starting unit, were those who attended one month EDP.

7.29. Gestation period

- Time taken for starting units after undergoing EDP training for majority of the trained entrepreneurs was less than 1 year (73.68%).
- Only 7.02% respondents took more than 2 years for starting unit. 92.98% of the respondents could start unit within 2 years of EDP training.
- Out of 42 entrepreneurs who took less than one year after attending EDP, 16.67% were educated upto SSLC, 59.52% were graduates and 23.81% were technical entrepreneurs.
- This shows that formal education helps the entrepreneurs in completing the promotional activities comparatively quickly.

- Those who participated in one months EDP took less time for starting the unit.

7.30. Need for further training

- Out of 67 entrepreneurs, 43.28% felt the need for further training once in a year, 34.33% once in 2 years and 8.96% once in 3 years.

- Only 13.43% responded negatively that further training is not at all required. This shows the positive attitude of entrepreneurs towards EDP.

7.31. Present Status of non-entrepreneurs

- Out of 68 non entrepreneurs, 26.47% are employed, 38.24% doing business/trade, 16.18% are unemployed, 19.12% are engaged in other activities.

7.32. Reasons for not starting unit

- 26.47% got employment, 36.77% took some steps for venture launching, but blocked in the process, 36.77% did not want to start unit due to risk aversion.

- 60% of trainees, who tooK some steps for starting business, had to face the difficulty of taking loan and giving sufficient

security for loan. 28% found getting licenses difficult, and 12% experienced the difficulties relating to infrastructure.

7.33. EDP benefits to non-entrepreneurs

- 18 respondents who are employed felt benefited from EDPs as they felt EDPs added to their knowledge of functioning of small enterprises and enhanced their confidence level, which helped them in performing their jobs more effectively. Some of those in jobs admitted that they could give counselling to others and help them in project report preparation.

- Those who were not in jobs stated that their confidence level has been increased, 3 of them are assisting the family business with the knowledge they gained from EDP, and 4 of them stated that EDP did not help them. 2 of them are still motivated to start unit.

- Out of 26 respondents who are engaged in business/trade, 20 admitted that EDP helped them to perform the present activities efficiently. 18 respondents stated that the knowledge of functioning of small enterprises helped them in their business. 4 of them are still motivated to start units and all of them believed that their confidence level is increased. 10 of them helped their friends in launching units.

- All those who were engaged in other activities admitted that they gained self confidence from EDP which helped them to maintain good contacts with people. Knowledge of small enterprise functioning was another benefit they got from EDP. 3 of them are still motivated to start units and they helped others to become self employed.

7.34. Follow up

Follow up activities consisted of follow up meetings, Follow up correspondence, visit by trainers & problem solving through committees. It was found that Follow up meeting were conducted by training organizations, only very few of the trainees replied to letters and attended meetings. Follow up activities were not undertaken regularly and therefore they were not effective.

7.35. Comparative performance of trained and untrained Entrepreneurs

- EDP trained entrepreneurs were compared with a matching group of untrained entrepreneurs.

- Among the sample 134 entrepreneurs 69.40% were males and 30.60% were females Chi-square test showed that there is significant variation between the two groups.

- Out of 134 entrepreneurs majority (44.03%) started their units in Rural area and 33.58% are running their unit inside the town.

- Out of 67 trained entrepreneurs, 50.7% were from forward community & 49.3% belonged to backward community. Among the 67 untrained entrepreneurs, 65.7% were from forward community and 43.3% were from backward community. Chi-square value was less than Table value (Chi-square = 0.480 df. 1) shows that there was no significant variation.

- Out of 134 entrepreneurs 81.34% were married and 18.66% were unmarried. Difference was insignificant as chi-square value is less than table value (Chi-square = 0.443 df. = 1).

- Among 134 entrepreneurs, majority (55.97%) belonged to the age group of 30-40, 31.34% were in the age group of 40-50 and least (12.69%) were in the age group of less than 30. There was no significant difference as the chi-square value is less than Table values (Chi-square = 3.568, df = 3). Among the sample entrepreneurs, Hindus constituted the maximum (55.197%), Christians came second (25.37%) followed by Muslims (18.55%).

7.36. Educational qualification

- Out of 134 sample entrepreneurs, 53.74% were graduates, 23.13% were educated upto SSLC and 23.13% were technically qualified.

7.37. Family background

- Out of 67 entrepreneurs 47.76% were from business or individual background compared to 32.84% trained entrepreneurs. EDPs were not popular among those who had industrial/ business background.

7.38. Family Structure

- Among 134 entrepreneurs 63.43% were from Nuclear family and 36.57% belonged to joint family. There was no significant variation between the trained and untrained group.

7.39. Age at the commencement of the unit

- Majority of the trained entrepreneurs started their unit at the age group of below 30 (47.8%) while untrained entrepreneurs in this age group came to (43.3%). Among the untrained entrepreneurs majority (46.3%) fell in the age group of 30-40.

- Among the 67 untrained entrepreneurs, majority (32.8%) were employed in industry, 28.4% had no job, 14.9% were running own unit, 13.4% were studying and 10.4% were engaged in Business/Trade.

7.40. Year of establishment and Number of units started

- Out of the 67 sample unit started by trained entrepreneurs 27 (40.30%) were in the year 1996 and 16 (23.88%) units were started in 1997. 24 units (35.82%) started by untrained entrepreneurs were in 1996 and 14 units (20.90%) were started in 1997.
- Out of 5 years under study, (1994-1998), maximum units were started by both trained and untrained entrepreneurs in 1996 followed by 1997.

7.41. Nature of Business

- Among 134 entrepreneurs, 73.13% were engaged in Manufacturing and Marketing, 16.42% were in Service sector and 10.45% were doing job works.
- In service sector, the number of trained entrepreneurs were more (20.89%) than untrained entrepreneurs (11.94%) which showed that EDP had been effective in service sector.

7.42. Type of organization

- Among the trained entrepreneurs majority (83.6%) started units as sole proprietorship, 7.5% as partnership, 6% as Pvt. Co's. & 3% as co-operative societies.

- Among the untrained entrepreneurs, 71.6% units were proprietory concerns, 23.9% were partnerships, 3% were pvt co's % .5% co-operative societies.

7.43. Number of persons

- Number of persons employed by majority of trained entrepreneurs (50.7%) were less than 5 while that of untrained entrepreneurs in this group was 25.4%.

- Number of persons employed by majority of untrained entrepreneurs (34.3%) were in the group of 5-10.

7.44. Initial investment in plant & Machinery

- Initial investment in plant & Machinery of majority of both trained (71.6%) & untrained entrepreneurs (58.2%) were less than Rs.5 lakhs.

7.45. Average annual turnover

- Average Annual Turnover during the past 3 years of majority of trained (50.7%) and untrained entrepreneurs (43.3%) were less than Rs.5 lakhs.

7.46. Motivational factors

- One of the main motivational factors to start the present unit was profit motive – Trained (88.06%) and untrained (77.61%)
- Prior industrial/business experience prompted 34.33% trained and 53.73% untrained entrepreneurs.
- Trained entrepreneurs (37.31%) considered help from promotional agencies as significant while only 6% untrained entrepreneurs were inspired by this factor.
- Business interest/to be independent was a strong motivating factor for 73.13% trained and 44.78% untrained entrepreneurs.

7.47. Techno-Economic survey

- Among the trained entrepreneurs, 67.2% conducted market survey while only 44.8% untrained entrepreneurs conducted survey.
- 32.8% trained and 55.2% untrained entrepreneurs did not conduct any survey.

7.48. Reasons of untrained entrepreneurs for not attending EDP

- 50.75% were not aware of this training programme, 9% did not find time, for 3% duration was not convenient, 26.87% felt that

this training was not necessary and 10.45% stated that the course was not relevant.

- This showed ineffective awareness progrmmes in this field.

7.49. Problems in starting and conducting business

- Major problems noted by entrepreneurs in starting and conducting business were Availability of Raw material, labour & infrastructure (Trained – 22.40% % untrained 31.34%), Registration (Trained 25.37% & untrained 37.31%), contact with officials (Trained 38.81% & untrained 52.24%), Assessment of working capital (Trained 34.33% & untrained 35.82%), Financial Management (Trained 35.82% & untrained 16.42%) and Government policies (Trained 23.88% & untrained 31.34%).

7.50. Problems of EDPs

- Main problems noted by EDP trainees were language problem not getting the chance to visit the type of industry which they intend to start, no encouragement to EDP trainees, lack of practical sessions etc.

7.51. Problems of Small entrepreneurs

- Financial problems consisted of shortage of working capital (Trained 49.2% & untrained 38.8%), of fixed capital (Trained 22.5% & untrained 25.4%), and High rates of interest on loans (Trained 40.3% trained & 43.3% untrained).

- Major Marketing problems were competition from small firms (trained 34.3% & untrained 32.8%), competition from large firms (Trained 42.6% & untrained 53.8%) and lack of capacity to offer credit (Trained 11.9% & untrained 34.3%)

- Raw material scarcity was more experienced by untrained entrepreneurs (29.53%) compared to trained entrepreneurs (16.4%). This showed that EDP training helped entrepreneurs to know from where to get raw materials, whom to contact etc.

- Scarcity, uncertainty and high cost of electricity were the common problems recorded by entrepreneurs.

- In the field of labour, lack of training of workers, labour turnover and absenteeism were the common problems.

7.52. Suggestions

Based on this study the following suggestions are put forward for consideration of Training Institutions, EDP sponsoring agencies, Government & Academicians.

- Organisations should develop tools for identification of persons with latent entrepreneurial traits, so that right type of persons can be trained and developed.
- Scientific selection procedure should be adopted to avoid dropouts.
- Field visits may be conducted in small batches so as to make them more educative and visits should be arranged to the type of industries which trainees want to start.
- Follow up methods should be improved.
- Awareness programmes should be made more popular and informative.
- Standardisation of programme inputs duration and training methodology are required to be done so as to avoid variation in programmes.
- Instructional materials may be provided to participants which could be used in future.
- Government should take initiative for the formation of "Entrepreneurship Development Clubs" in Educational

Institutions to inculcate entrepreneurial culture among younger generation.

- Government should encourage the formation of "Entrepreneurship Development Cells" in banks and other financial institutions to identify and help the entrepreneurs.
- Interaction with EDP trained and successful entrepreneurs should be conducted .
- Financial Institutions should encourage EDP trained small entrepreneurs by giving preference while granting loans.
- Communications with Government is getting delayed. So Government procedures are to be speeded up.
- Government should form a central marketing agency to help EDP trained entrepreneurs to market their products especially women entrepreneurs as they are facing difficulties in collection of debts.
- Risk taking entrepreneurs are subject to lots of stress. Therefore sessions on stress management may be included in EDP syllabus.

For effective entrepreneurship education, the desirable approach will be to integrate the efforts to inculcate the entrepreneurial values and attitudes, arousal of entrepreneurial motivation and develop entrepreneurial competencies. In order to achieve this, it may be necessary to catch them young at school stage by introducing entrepreneurial activity package (entrepreneurship curriculum) in the education system.

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A STUDY ON THE EFFECTIVENESS OF ENTREPRENEURIAL DEVELOPMENT PROGRAMMES FOR THE DEVELOPMENT OF SMALL SCALE INDUSTRIES IN KERALA

THESIS
SUBMITTED TO THE UNIVERSITY OF CALICUT FOR THE AWARD OF THE DEGREE OF DOCTOR OF PHILOSOPHY IN COMMERCE

BY
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UNDER THE SUPERVISION OF
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ANNEXURES

QUESTIONNAIRE FOR INSTITUTIONS PROVIDING E.D.P.

1. Name of the Institution: .....

   .....

2. Main objective and other activities: .....

   .....

   .....

3. Year of starting EDP: .....

4.1 Number of EDPs conducted from March '94-March '99 : .....

4.2 Average intake for each programme:

10-15	[ ]	20-25	[ ]	30-35	[ ]
15-20	[ ]	25-30	[ ]	35-40	[ ]

5.1 Average duration of the programme:

8 weeks	[ ]	4 weeks	[ ]	2 weeks	[ ]
6 weeks	[ ]	3 weeks	[ ]	1 week	[ ]

5.2. What is your opinion about the duration of the programme?

Very much adequate	Adequate	Inadequate	Very much inadequate
[ ]	[ ]	[ ]	[ ]

6. How much fees you are charging from the participants?

No fees	[ ]	400-600	[ ]	Above 1000	[ ]
Upto 200	[ ]	600-800	[ ]		
200-400	[ ]	800-1000	[ ]		

7. What are the pre-training promotional activities?

- Programme announcement in Local News Papers [ ]
- Identification of Faculty for EDPs [ ]
- Visits by Programme co-ordinator to Various Supporting Organisations [ ]
- Programme Publicity through Supporting Organisations [ ]
- Radio announcements [ ]
- Preparation of instructional material [ ]
- Anyother (please specify) .....

8. Expenditure incurred on EDPs.

Less than Rs.20,000	[ ]	Rs.60,000 – Rs.80,000	[ ]
Rs.20,000 – Rs.40,000	[ ]	Rs.80,000 – Rs.1,00,000	[ ]
Rs.40,000 – Rs.60,000	[ ]	More than Rs.1,00,00	[ ]

9.1 Selection procedure of participants – mark the preferential weightage. Please distribute 20 points.

Business background	[ ]
Qualification	[ ]
Aptitude/Business Interest	[ ]
Project idea	[ ]

9.2 What is the proportion of Existing and Potential entrepreneurs at the time of selection?

Existing	[ ]
Potential	[ ]
No proportion	[ ]

10. Is EDP conducted in association with any other Agency/Government? Please specify .....

11.1. Constitution of Faculties – Please give the percentage

Academicians	[ ]
Professional/Technical Faculties	[ ]
Government Officials	[ ]

11.2 Ratio of inputs provided by own faculty and outside faculty.

Own Faculty	[ ]
Outside Faculty	[ ]

12. Contents of the Syllabus – Indicate the inputs which you consider most important in EDP in the order of preference – kindly distribute 100 point.

1.	Achievement – Motivation Training/ Entrepreneurial Motivation Training	[ ]
2.	Project Identification	[ ]
3.	Production Management	[ ]
4.	Project Report Preparation	[ ]
5.	Exposure to support system	[ ]
6.	Market survey and market study	[ ]
7.	Industrial visits	[ ]

8. Labour Laws [ ]
9. Marketing and Sales Promotion [ ]
10. Interaction with successful Entrepreneurs [ ]
11. Financial and Working capital Management
12. General awareness about planning, establishing and managing SSI [ ]
13. Any other (please specify) .....

13.1. Teaching Methodology used) (Mark the hours allotted for each)

Classroom	[ ]	Industry visit	[ ]
Practicals	[ ]	Market survey	[ ]

13.2. How many days are allotted for Industry Visit?

3 days / 2 days / 1 day / No visit
[ ] [ ] [ ] [ ]

14.1. Which are the different target groups for which EDP is provided?

General	[ ]	Ex-Servicemen	[ ]
Women	[ ]	Physically handicapped	[ ]
SC/ST	[ ]	Engineers/Technical	[ ]

Any other (please specify) .....

14.2. Is the syllabus the same for all categories of target groups?

Always / Frequently / Occasionally / Rarely / Never
[ ] [ ] [ ] [ ] [ ]

15.1. Place where EDP is conducted

Inside the Institution [ ]
Outside the Institution [ ]
Both [ ]

15.2. Preference given to places/areas when EDP is conducted outside the Institution – State the percentage.

Urban [ ]
Rural [ ]
Industrially backward [ ]

16. How often do you help them in preparing Project Report?

Always / Frequently / Occasionally / Rarely / Never
[ ] [ ] [ ] [ ] [ ]

17.1. How often do you conduct Entrepreneurship Awareness Programmes?

Always / Frequently / Occasionally / Rarely / Never
[ ] [ ] [ ] [ ] [ ]

17.2. State the percentage of participants, attending EDP, have undergone EAP?

Below 5	[ ]	15-20	[ ]
5-10	[ ]	20-25	[ ]
10-15	[ ]	25-30	[ ]

18. What are the problems faced relating to (please Rank them)

		Great 5	High 4	Medium 3	Average 2	Low 1	Nil 0
1.	Availability of interested participants	☐	☐	☐	☐	☐	☐
2.	Availability of Guest Faculty	☐	☐	☐	☐	☐	☐
3.	Finance for conducting EDPs	☐	☐	☐	☐	☐	☐
4.	Assistance by support systems	☐	☐	☐	☐	☐	☐
5.	Post-Training Follow-up	☐	☐	☐	☐	☐	☐
6.	Performance of Participants	☐	☐	☐	☐	☐	☐
7.	Infrastructure for Training	☐	☐	☐	☐	☐	☐
8.	Heterogeneous background of Trainees	☐	☐	☐	☐	☐	☐
9.	Low level of entrepreneurial awareness	☐	☐	☐	☐	☐	☐
10.	Industrial visits	☐	☐	☐	☐	☐	☐
11.	Market survey	☐	☐	☐	☐	☐	☐
12.	Any other (please specify)	☐	☐	☐	☐	☐	☐

19. How often do you collect feedback from the participants at the close of the programme?

Always / Frequently / Occasionally / Rarely / Never
[ ] [ ] [ ] [ ] [ ]

20. How often the follow-up activities are undertaken?

1. Follow-up meetings

Always / Frequently / Occasionally / Rarely / Never
[ ] [ ] [ ] [ ] [ ]

2. Follow-up correspondence

Always / Frequently / Occasionally / Rarely / Never
[ ] [ ] [ ] [ ] [ ]

3. Follow-up visits by Trainers

Always / Frequently / Occasionally / Rarely / Never
[ ] [ ] [ ] [ ] [ ]

4. Post-Training counseling services to Trainees

Always / Frequently / Occasionally / Rarely / Never
[ ] [ ] [ ] [ ] [ ]

5. Problem-solving through committees

Always / Frequently / Occasionally / Rarely / Never
[ ] [ ] [ ] [ ] [ ]

21. Do they approach you later for any other help?

Always / Frequently / Occasionally / Rarely / Never
[ ] [ ] [ ] [ ] [ ]

22. Will they inform you when they start the business?

Always / Frequently / Occasionally / Rarely / Never
[ ] [ ] [ ] [ ] [ ]

23. In your opinion, how many percentage of EDP participants are starting their own business within one year/2 years of Training?

Always / Frequently / Occasionally / Rarely / Never
[ ] [ ] [ ] [ ] [ ]

23. In your opinion, how many percentage of EDP participants are starting their own business within one year/2 years of Training?

Below 10%	[ ]	30-40	[ ]
01-20	[ ]	40-50	[ ]
20-30	[ ]	Above 50%	[ ]

24. How much help you provide to EDP beneficiaries in setting up/Running their own enterprise? Kindly Rank them.

		Low 1	2	3	4	High 5
1.	Opportunity guidance	☐	☐	☐	☐	☐
2.	Preparation of project report	☐	☐	☐	☐	☐
3.	Infrastructural Requirements	☐	☐	☐	☐	☐
4.	Local body License	☐	☐	☐	☐	☐
5.	Laison with Government agencies & financial Institutions for speedy implementation of projects	☐	☐	☐	☐	☐
6.	Assessment of working capital	☐	☐	☐	☐	☐
7.	Marketing strategies	☐	☐	☐	☐	☐
8.	Arrangement of Finance	☐	☐	☐	☐	☐
9.	Information about incentives, subsidies, Sales Tax exemption etc. to entrepreneurs	☐	☐	☐	☐	☐
10.	Procurement of Raw material, Machinery etc.	☐	☐	☐	☐	☐
11.	Provisional Registration	☐	☐	☐	☐	☐
12.	Permanent Registration	☐	☐	☐	☐	☐
13.	Price Fixation	☐	☐	☐	☐	☐
14.	Cost Reduction	☐	☐	☐	☐	☐
15.	Uses of Byproducts	☐	☐	☐	☐	☐
16.	Self-confidence	☐	☐	☐	☐	☐

25. How much help you provide to existing entrepreneurs? Kindly Rank them.

		Low 1	2	3	4	High 5
-	Guidance in areas of modernization, expansion and diversification	☐	☐	☐	☐	☐
-	Help in identifying problems of the unit and recommending corrective measures	☐	☐	☐	☐	☐
-	Management, Marketing technical and financial consultancy services	☐	☐	☐	☐	☐
-	Financial Assistance	☐	☐	☐	☐	☐

QUESTIONNAIRE FOR EDP TRAINED ENTREPRENEURS

I.

1. Name: .....

2. Name and Address of the Unit .....

   .....

3. Locality of the unit : Taluk : .....

   Town : .....

   District : .....

4. Name of the product : .....

5. Location of the unit : Inside the Town ☐

   Industrial Estate ☐

   Industrial Area ☐

   Rural Area ☐

6. Sex: Male ☐ Female ☐

7. Status at the time of joining EDP: Existing ☐ Potential ☐

8. Religion: .....

9. Caste: Forward ☐ Backward ☐

10. Marital Status: Single ☐ Married ☐

11. Age:

    Below 30 ☐ 40-50 ☐

    30-40 ☐ 50 and above ☐

12. Educational Qualification

    Below ☐ Degree ☐

    SSLC ☐ Above Degree ☐

    PDC ☐ Technical/Professional ☐

13. Parental Occupation:

    Agriculture ☐ Service ☐

    Business ☐ Govt. job ☐

    Industrial ☐ Other (please specify) .....

14. Family structure: Joint ☐ Nuclear ☐

15. Age at the commencement of the unit:

16. Mode of entry into industry:
- Inheritance ☐
- Purchase ☐
- Founding of New Unit ☐

17. Your occupation before establishing this unit:
- Studying ☐
- Employed in industry ☐
- Business/Trade ☐
- No job ☐
- Running own unit ☐

II.

1. Year of Establishment: .....

2. Type of Organisation:
- Sole proprietorship ☐
- Partnership ☐
- Private company ☐
- Co-operative Society ☐

3. Nature of Business:
- Manufacturing ☐
- Marketing ☐
- Service ☐
- Manufacturing & marketing ☐
- Any other (please specify) ☐

4. Number of persons employed
- Below 5 ☐
- 5-10 ☐
- 10-20 ☐
- 20-30 ☐
- 30-40 ☐
- 40-55 ☐
- Above 50 ☐

5. Initial investment in Plant and Machinery
- Less than Rs.5 lakhs ☐
- Rs.5 lakhs – Rs.10 lakhs ☐
- Rs.10 lakhs – Rs.20 lakhs ☐
- Rs.10 lakhs – Rs.30 lakhs ☐
- Rs.30 lakhs to Rs.50 lakhs ☐
- Rs.50 lakhs – Rs. 75 lakhs ☐
- Rs.75 lakhs – Rs.100 lakhs ☐

6. Average Annual turnover during the past 5 years:

Below Rs.5 lakhs	☐	Rs.30 lakhs – Rs.40 lakhs	☐
Rs.5 lakhs – Rs.10 lakhs	☐	Rs.40 lakhs – Rs.50 lakhs	☐
Rs.10 lakhs – Rs.20 lakhs	☐	Above Rs.50 lakhs	☐

7. The factors which motivated you to establish this industry.
Please distribute 100 point.

		eg.
Acquired skill	[ ]	[25]
Profit motive	[ ]	[20]
Prior industrial/Business experience	[ ]	[40]
Help from Promotional Agencies	[ ]	[05]
Availability of Rawmaterial	[ ]	[ ]
Labour & Infrastructural Facilities	[ ]	[10]
Continuation of family business	[ ]	[00]
Others (please specify)		.....
	------	------
Total	[100]	[100]

8. Have you conducted any Techno-economic or Market Survey before establishing the unit?

Yes ☐ No ☐

If yes, who suggested?

Your own initiative ☐ Promotional agencies ☐

9. Which area you difficulty in the process of starting and conducting this business? Kindly give 100 point according to its intensity.

- Project Identification [ ]
- Availability of Raw material, Labour and Infrastructural facilities [ ]
- Procedure of Registration [ ]
- Project Report Preparation [ ]
- Technical / Managerial [ ]
- Contact with officials [ ]
- Assessment of working capital [ ]
- Labour Management [ ]
- Financial Decision making [ ]
- Policies of the Government [ ]
- Others (please specify) ..... -----

Total 100

III.

1. Had you undergone Entrepreneurial Development Programme (EDP) before / after establishing this business?

   Yes ☐ No ☐

2. If Yes, what was the duration of the Programme?

   3 months ☐ 6 weeks ☐
   2 months ☐ 2 weeks ☐
   1 month ☐ 1 week ☐

3. The Institution where you undergone EDP?

   DIC ☐ CMD ☐
   STED ☐ SISI ☐
   REC ☐ KITCO ☐

4. What was the nature of EDP – specify the sector

   General ☐ Engineering ☐
   Ex-servicemen ☐ Women ☐
   SC/ST ☐ Others (please specify) .....

5. What were the various methods used for Training (Please distribute 100 point in the order of usefulness/effectiveness according to you)

Classroom Lecture	[ ]
Group Discussion	[ ]
Audio-Visual aids	[ ]
Individual counseling	[ ]
Industry visit	[ ]
Market survey	[ ]
Case studies	[ ]
Interaction with successful entrepreneurs	[ ]

Total	100

6. What influenced you to undergo EDP?

   Unemployment ☐ Learn to start the business ☐
   Loan facility ☐ improve entrepreneurial
   Special Training ☐ competencies ☐
   Improve managerial skill ☐

7. Who suggested you to undergo EDP?

Own decision	☐	DIC officials	☐
Friends	☐	Bank officials	☐

Any other (please specify) .....

8. From where you came to know about EDP?

Newspapers	☐	DIC	☐
Radio	☐	Friends	☐
Training Institution	☐	Other (please specify)	

9. Whether this training had influenced you in starting this business?

Very much ☐ Much ☐ Not much ☐ Not at all ☐

10. What was the time gap between getting the graining and starting the business?

Less than 1 year	☐	2 year – 3 years	☐
1 year – 2 years	☐	More than 3 years	☐

11. How often do you feel, further training is necessary?

Once in a year	☐	Once in 3 years	☐
Once in 2 years	☐	Not at all	☐

12. What are the short comings that you have noticed for the EDP that you have attended? Kindly distribute 100 point.

About the Institution	[ ]
About EDP syllabus	[ ]
About Faculties	[ ]
About Industrial visit	[ ]
About Training Methodology	[ ]
About Follow-up activities	[ ]
Any other (please specify)	

	100

13. In your view, which area in the EDP syllabus should be given more emphasis? Kindly give 100 point in the order of importance.

Achievement Motivation	[ ]	Product idea formulation	[ ]
Entrepreneurial qualities	[ ]	Procedure of starting the business	[ ]
Project Report preparation	[ ]	Technical Assistance	[ ]
Financial Management	[ ]	Interaction with successful	[ ]
Marketing Management	[ ]	entrepreneurs	
		Industrial visit	[ ]
		Any other	[ ]

			100

14. How far the EDP helped you in starting / running the business? Kindly Rank them.

		Low 1	2	3	4	High 5
1.	Opportunity guidance	☐	☐	☐	☐	☐
2.	Preparation of Project Report	☐	☐	☐	☐	☐
3.	Infrastructural Requirements	☐	☐	☐	☐	☐
4.	Local body Licence	☐	☐	☐	☐	☐
5.	Laison with Government Agencies and financial institution For speedy implementation of project	☐	☐	☐	☐	☐
6.	Assessment of working capital	☐	☐	☐	☐	☐
7.	Marketing Strategies	☐	☐	☐	☐	☐
8.	Arrangement of Finance	☐	☐	☐	☐	☐
9.	Information about Incentives, subsidies, sales tax exemption etc. to entrepreneurs	☐	☐	☐	☐	☐
10.	Procurement of Raw material, Machinery, etc.	☐	☐	☐	☐	☐
11.	Provisional Registration	☐	☐	☐	☐	☐
12.	Permanent Registration	☐	☐	☐	☐	☐
13.	Price Fixation	☐	☐	☐	☐	☐
14.	Cost Reduction	☐	☐	☐	☐	☐
15.	Use of By products	☐	☐	☐	☐	☐
16.	Self-confidence	☐	☐	☐	☐	☐

15. How much do you benefit from Follow-up activities of training institutions. Please distribute 20 points.

Follow-up meeting	[ ]
Follow-up counseling	[ ]
Visit by trainers	[ ]
Problem solving through committees	[ ]

	20

16. State you degree of agreement/disagreement to the following statements:

1. I started the same industry which I proposed while attending training.

Strongly Agree / Agree / Uncertain / Disagree / Strongly Disagree

☐ ☐ ☐ ☐ ☐

2. I changed the industry which I proposed, after the training.
   Strongly Agree / Agree / Uncertain / Disagree / Strongly Disagree
   ☐ ☐ ☐ ☐ ☐
3. I suggest/recommend this training to new entrepreneurs.
   Strongly Agree / Agree / Uncertain / Disagree / Strongly Disagree
   ☐ ☐ ☐ ☐ ☐
4. I have benefited from the training.
   Strongly Agree / Agree / Uncertain / Disagree / Strongly Disagree
   ☐ ☐ ☐ ☐ ☐
5. Duration of the training programme is adequate
   Strongly Agree / Agree / Uncertain / Disagree / Strongly Disagree
   ☐ ☐ ☐ ☐ ☐
6. I feel I am competent for running the business
   Strongly Agree / Agree / Uncertain / Disagree / Strongly Disagree
   ☐ ☐ ☐ ☐ ☐

17. How often do you approach the Training Institution after EDP?
    Always / Occasionally / Rarely / Frequently / Never
    ☐ ☐ ☐ ☐ ☐

18. How often did you get help from the Training Institution when approached later?
    Always / Occasionally / Rarely / Frequently / Never
    ☐ ☐ ☐ ☐ ☐

IV.

1. What are the problems faced by you in each functional area. Kindly distribute 100 point for each.

1. Finance
   - Shortage of finance for working capital [ ]
   - Shortage of finance for fixed capital [ ]
   - High Rates of Interest [ ]
   - Meagre assistance from Govt. Agencies [ ]
   - Getting subsidy [ ]
   - Any other (please specify) ..... [ ]

   100

2. Marketing
   - Competition from other small units [ ]
   - Competition from Large units [ ]
   - Price control [ ]
   - Distribution control [ ]

- Lack of Govt. support [ ]
- Lack of marketing information [ ]
- Any other (please specify) [ ]

100

3. Raw material
   - Scarcity [ ]
   - High Price [ ]
   - Problem of Transport [ ]
   - Any other (please specify) [ ]

100

4. Power
   - Scarcity [ ]
   - Uncertainty [ ]
   - Problem of Highest [ ]
   - Any other (please specify) [ ]

100

5. Labour
   - Training [ ]
   - Union activities [ ]
   - Turnover [ ]
   - Absteeism [ ]
   - Any other (please specify) ..... [ ]

100

6. Suggestions for the removal of above problems

7. Future plan for the unit

QUESTIONNAIRE FOR EDP TRAINEES WHO ARE NOT RUNNING UNIT

1. Age
   - Below 30 ☐
   - 30-40 ☐
   - 40-50 ☐
   - 50 and above ☐

2. Marital Status: Single ☐ Married ☐

3. Sex: Male ☐ Female ☐

4. District:
   - Thrissur ☐
   - Calicut ☐
   - Malappuram ☐
   - Ernakulam ☐

5. Caste: Forward ☐ Backward ☐ SC/ST ☐

6. Educational Qualifications
   - Below SSLC ☐
   - SSLC ☐
   - PDC ☐
   - Degree ☐
   - Above Degree ☐
   - Technical/Professional ☐

7. Parental Occupation
   - Agriculture ☐
   - Business ☐
   - Industrial ☐
   - Service ☐
   - Govt. Job ☐
   - Others (please specify) .....

8. What were you dong before undergoing EDP?
   - Studying ☐
   - Employed in industry ☐
   - Business/Trade ☐
   - No job ☐
   - Running own unit ☐

9. The Institution where you attended EDP
   - DIC ☐
   - SISI ☐
   - CMD ☐
   - REC ☐
   - STED ☐
   - KITCO ☐

10. What was the nature of EDP?
    - General ☐
    - Ex-Servicemen ☐
    - SC/ST ☐
    - Engineering ☐
    - Women ☐
    - Others (please specify) .....

11. Duration of EDP you attended

3 months	☐	6 weeks	☐
2 months	☐	2 weeks	☐
1 month	☐	1 week	☐

12. What influenced you to undergo EDP?

Unemployment	☐	Learn to start the business	☐
Loan facility	☐	Improve entrepreneurial competencies	☐
Technical training	☐	Improve managerial skill	☐
Own Master	☐	Others (please specify)	

13. Who suggested you to undergo EDP?

Own Decision	☐	DIC officials	☐
Friends	☐	Bank officials	☐

Any other (please specify) .....

14. From where you came to known about EDP?

Newspapers	☐	DIC	☐
Radio	☐	Friends	☐
Training Institution	☐	Others (please specify)	

15. Which of the following area in the EDP Syllabus was useful to you?

(1) Achievement Motivation

Very much Useful / Useful / Somewhat Useful / Not much Useful / Not at all Useful

(2) Entrepreneurial Qualities

Very much Useful / Useful / Somewhat Useful / Not much Useful / Not at all Useful

(3) Product Idea Formulation

Very much Useful / Useful / Somewhat Useful / Not much Useful / Not at all Useful

(4) Project Report Preparation

Very much Useful / Useful / Somewhat Useful / Not much Useful / Not at all Useful

(5) Procedure of Starting the business

Very much Useful / Useful / Somewhat Useful / Not much Useful / Not at all Useful

(6) Financial Management

Very much Useful / Useful / Somewhat Useful / Not much Useful / Not at all Useful

(7) Marketing Management

Very much Useful / Useful / Somewhat Useful / Not much Useful / Not at all Useful

(8) Interaction with Successful Entrepreneur
Very much Useful / Useful / Somewhat Useful / Not much Useful / Not at all Useful

(9) Industrial Visit
Very much Useful / Useful / Somewhat Useful / Not much Useful / Not at all Useful

(10) Market Survey
Very much Useful / Useful / Somewhat Useful / Not much Useful / Not at all Useful

(11) Labour Laws
Very much Useful / Useful / Somewhat Useful / Not much Useful / Not at all Useful

(12) Local body Licenses, Power, Raw material, Machinery, etc.
Very much Useful / Useful / Somewhat Useful / Not much Useful / Not at all Useful

(13) Accountancy, Costing, Pricing, etc.
Very much Useful / Useful / Somewhat Useful / Not much Useful / Not at all Useful

16. State your degree of Agreement/Disagreement to the following statements:

(1) I have benefited from this Training
Strongly Agree / Agree / Uncertain / Disagree / Strongly Disagree

(2) During of the Training Programme is adequate
Strongly Agree / Agree / Uncertain / Disagree / Strongly Disagree

17. How often do you approach the Training Institution after EDP?
Always / Occasionally / Rarely / Frequently / Never

18. How often did you get help from the Training Institution when approached later?
Always / Occasionally / Rarely / Frequently / Never

19. Have you started a unit after EDP? Yes ☐ No ☐

20. If 'No', why?

Not interested ☐
Got employment ☐
Engaged in other activities ☐
Risk aversion ☐
Could not complete project report ☐
Discouraging attitude of the support system ☐
Administrative delay in loan sanctioning ☐

Non-availability of power/water connection ☐

Could not get Land/Building ☐

21. If 'Yes' stages completed before getting blocked/given up in the process of venture launching.

A. EDP Related

1. Product Identification ☐
2. Project Report Preparation ☐
3. Market Survey ☐

Any other (please specify) .....

B. Finance Related

1. Applied for Loan ☐
2. Formalities for Loan Disbursal ☐

Any other (please specify) .....

C. Government related

1. Applied for Registration ☐
2. Applied for Power/Water connection ☐
3. Applied for Licenses from various departments ☐

Any other (please specify) .....

D. Others

1. Construction of building started ☐
2. Order for Machinery placed ☐

22. Do you suggest/recommend this training to potential entrepreneurs?

Yes ☐ No ☐

23. If 'No' why?

1. Not much help in general ☐
2. No Practical Training ☐
3. No Encouragement by E.D. Institutions ☐
4. No Preference to EDP Trainees by Financial Institutions and Banks ☐
5. No Follow-up Activities ☐

24. If 'Yes' Reason for advising to join EDP, State your opinion about the usefulness/effectiveness of this Training – Kindly rate them.

		Low 1	2	3	4	High 5
1.	Gives Business Idea	☐	☐	☐	☐	☐
2.	Motivating	☐	☐	☐	☐	☐
3.	Helpful in Enterprise Management	☐	☐	☐	☐	☐
4.	Provides initial guidance for launching a business	☐	☐	☐	☐	☐
5.	Help in becoming self-employed	☐	☐	☐	☐	☐
6.	Help in selection of viable projects	☐	☐	☐	☐	☐
7.	Creates awareness in Legal formalities and Govt. procedures	☐	☐	☐	☐	☐
8.	Project Report Preparation	☐	☐	☐	☐	☐
9.	Contact with officials	☐	☐	☐	☐	☐
10.	Self-confidence	☐	☐	☐	☐	☐
11.	Information about incentives, subsidies, sales tax exemption etc.	☐	☐	☐	☐	☐
12.	Developing Entrepreneurial qualities	☐	☐	☐	☐	☐
13.	Gives good information on finance/business	☐	☐	☐	☐	☐
14.	Marketing Strategies	☐	☐	☐	☐	☐
15.	Follow-up meetings	☐	☐	☐	☐	☐
16.	Follow-up correspondences	☐	☐	☐	☐	☐

QUESTIONNAIRE FOR ENTREPRENEURS

I.

1. Name: .....

2. Name and Address of the Unit .....
.....

3. Locality of the unit : Taluk : .....
Town : .....
District : .....

4. Name of the product : .....

5. Location of the unit : Inside the Town ☐
Industrial Estate ☐
Industrial Area ☐
Rural Area ☐

6. Sex: Male ☐ Female ☐

7. Religion : .....

8. Caste: Forward ☐ Backward ☐

9. Marital Status Single ☐ Married ☐

10. Age :
Below 30 ☐ 40-50 ☐
30-40 ☐ 50 and above ☐

11. Educational Qualification :
Below SSLC ☐ Degree ☐
SSLC ☐ Above Degree ☐
PDC ☐ Technical/Professional ☐

12. Parental Occupation
Agriculture ☐ Service ☐
Business ☐ Govt. job ☐
Industrial ☐ Other (please specify) .....

13. Family structure : Joint ☐ Nuclear ☐

14. Age at the commencement of the unit

15. Mode of entry into industry Inheritance ☐
Purchase ☐
Founding of New Unit ☐

16. Your occupation before establishing this unit

Studying	☐	No job	☐
Employed in industry	☐	Running	☐
Business / Trade	☐		

II.

1. Year of Establishment : .....

2. Type of Organisation:

Sole proprietorship	☐	Private Company	☐
Partnership	☐	Co-operative Society	☐

3. Nature of Business:

Manufacturing	☐	Manufacturing & marketing	☐
Marketing	☐	Any other (please specify).....	
Service	☐		

4. Number of person employed

Below 5	☐	30-40	☐
5 – 10	☐	40 – 50	☐
10 –20	☐	Above 50	☐
20 – 30	☐		

5. Initial investment in Plant and Machinery

Less than Rs.5 lakhs	☐	Rs.30 lakhs – Rs.50 lakhs	☐
Rs.5 lakhs - Rs.10 lakhs	☐	Rs.50 lakhs – Rs.75 lakhs	☐
Rs.10 lakhs Rs.20 lakhs	☐	Rs.75 lakhs – Rs.100 lakhs	☐
Rs.20 lakhs – Rs.30 lakhs	☐		

6. Average Annual Turnover during the past 5 years:

Below Rs.5 lakhs	☐	Rs.30 lakhs – Rs.40 lakhs	☐
Rs.5lakhs – Rs.10 lakhs	☐	Rs.40 lakhs – Rs.50 lakhs	☐
Rs.10lakhs – Rs.20 lakhs	☐	Above Rs.50 lakhs	☐
Rs.20 lakhs – Rs.30 lakhs	☐		

7. The factors which motivated you to establish this industry

Please distribute 100 point.		eg.
Acquired skill	[ ]	[25]
Profit motive	[ ]	[20]
Prior industrial/Business experience	[ ]	[40]
Help from Promotional Agencies	[ ]	[05]

Availability of Raw material	[ ]	[ ]
Labour & Infrastructural Facilities	[ ]	[10]
Continuation of family business	[ ]	[00]
Others (please specify)		.....

Total	100	100

8. Have you conducted any Techno-Economic or Market Survey before establishing the unit?

Yes ☐ No ☐

If yes, who suggested?

Your own initiative ☐ Promotional agencies ☐

9. Which area you found difficult in the process of starting and conducting this business? Kindly give 100 point according to its intensity.

- Project Identification [ ]
- Availability of Raw material, Labour and Infrastructural facilities [ ]
- Procedure of Registration [ ]
- Project Report Preparation [ ]
- Technical / Managerial [ ]
- Contact with officials [ ]
- Assessment of working capital [ ]
- Labour Management [ ]
- Financial Decision making [ ]
- Policies of the Government [ ]
- Others (please specify) ....

Total 100

III.

1. Had you undergone Entrepreneurial Development Programme (EDP) before / after establishing this business?

Yes ☐ No ☐

2. If No, reasons for not attending Training Programme

Not aware of it ☐ Did not find time ☐

duration not convenient ☐ Felt not necessary ☐

Course not relevant ☐

3. If got chance, the type of Training Programme desired

Technical ☐ General ☐

Both ☐ Did not know ☐

Training required ☐ Training not required ☐

IV.

1. What are the problems faced by you in each functional area. Kindly distribute 100 point for each.

1. Finance

- Shortage of finance for working capital	[ ]
- Shortage of finance for fixed capital	[ ]
- High Rates of Interest	[ ]
- Meagre assistance from Govt. Agencies	[ ]
- Getting subsidy	[ ]
- Any other (please specify)	[ ]

	100

2. Marketing

- Competition from other small units	[ ]
- Competition from Large units	[ ]
- Price control	[ ]
- Distribution control	[ ]
- Lack of Govt. support	[ ]
- Lack of marketing information	[ ]
- Any other (please specify)	---
	100

3. Raw material

- Scarcity	[ ]
- High Uncertainty	[ ]
- High cost	[ ]
- Any other (please specify)	[ ]

	100

4. Power

- Scarcity	[ ]
- Uncertainty	[ ]
- Problem of Highest	[ ]
- Any other (please specify)	[ ]

	100

5. Labour

- Training	[ ]
- Union activities	[ ]
- Turnover	[ ]
- Absteeism	[ ]
- Any other (please specify)	[ ]

	100

6. Suggestions for the removal of above problems

7. Future plan for the unit

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