

Impact of Training on Entrepreneurial Development

*Dr. S. Mohan **Mrs. R. Revathi

*Associate Professor in Commerce, S.K.S.S. Arts College, Tirupanandal – 612 504.

**Assistant Professor in Commerce, Government College for Women, Kumbakonam.

The competencies required for an entrepreneur can be acquired through training and development. One of the important areas of economic development is to bring forth latent talents and nurture a strong entrepreneurial spirit in individuals.

According to McClelland, need for achievement motivates individuals to exploit opportunities and to take advantage of favourable trade conditions. This could be motivated through planned training activities. Lot of efforts has been undertaken by the governments, both at the centre and in the states and Non Government Organizations to promote entrepreneurial development in the country through entrepreneurial development programmes (EDP).

Entrepreneurial development programmers can play an important role in influencing potential candidates to take advantage of new business opportunities and establish new business ventures. Programmes can be designed both to help potential candidates to start new ventures or to help existing entrepreneurs to improve their skills or solve particular business problems.

Entrepreneurial development programmes:

'Entrepreneurs are not only born but can also be trained and developed'. Entrepreneurial development programmes help the potential entrepreneur to set-up his own business enterprise appropriate to his abilities and liking. Entrepreneurial development is an organized and continuous process. The basic purpose of entrepreneurial programme is to influence the potential persons and motivate them to take entrepreneurship as their career.

Entrepreneurs can be developed through training, education and development. Inculcating entrepreneurial skills for setting up and operating business enterprise can be called development of entrepreneurs. Entrepreneurial development prefers to enhance the skill and knowledge of entrepreneur through training and development.

EDP is not merely a training program but it is the process of –

1. Enhancing the motivation, knowledge and skills of potential entrepreneurs.
2. Reforming the entrepreneurial behaviour in their day- to-day activities.
3. Encouraging them to develop their own ventures.

Objectives of training to Entrepreneurs:

- Motivating potential candidates to transform from job seekers to job creators.
- Influencing the potential candidates to take up entrepreneurship as their career.
- Enabling potential candidates to acquire entrepreneurial qualities.
- Helping the candidates to identify and exploit business opportunities.
- Enabling the candidate to analyze the feasibility of a project.
- Helping the candidate to prepare project report.

- Helping the candidates understand about the process and procedure involved in setting an enterprise.
- Providing information about various institutions assisting the entrepreneurs in setting up the units.
- Training the candidates to acquire technical and managerial skills to become an entrepreneur.
- Helping the candidate to identify the pros and cons of entrepreneurship.
- Bringing industrial development in the country and solving unemployment problem by transforming job seekers into job creators

Need for Entrepreneurial Development Programmes:

Entrepreneurial development is an organized and systematic development. The thrust of entrepreneurial development is to motivate a person for entrepreneurial career and to make him capable of perceiving the opportunities and exploiting them successfully for setting up his own enterprise. One trained and successful entrepreneur can set right example for others to follow. Trained entrepreneurs thus become catalysts of industrial development and economic progress. EDP is a comprehensive programme involving the following process.

- Enhancing the motivation, knowledge and skills of the potential entrepreneurs.
- Arousing and reforming the entrepreneurial behaviour in their day to day activities.
- Assisting them in the development of their own enterprises.

In the past it was believed that entrepreneurs are born and not made. It was thought that only those persons who have got business family background can become successful entrepreneurs. Now – a- days this viewpoint has given place to the reality that persons who gain proper knowledge and training can become entrepreneurs. This opinion has been strengthened by David C. McClelland.

Possession of competencies is necessary for superior performance in entrepreneurship. The following are the major competencies, which can be inculcated in a person by proper training.

Initiative. It helps the person to be a daring entrepreneur who initiates a business activity.

Looking for opportunities. It helps persons to always look out for opportunities, as and when these arise.

Information seeker. Training persons to always search for information from all quarters in the pursuit of reaching business goals.

Persistent. Trains persons to face failures and how not to be cowed down by failures and beliefs and encourages them to try and try again.

Quality Conscious. The spirit of excelling in quality and to beat existing standards is instilled.

Commitment to work. He is made prepared to put in everything, at his command, for accomplishing his goals.

Efficiency seeker. He is to make an earnest effort for completing the desired task and that too within minimum cost and time.

Proper planner. He is firm believer in meticulous planning and proper execution for the attainment of desired goals.

Problem Solver. He is all time busy in finding out ways and means for-tiding over the difficult times.

Self confidence. He has full confidence on his strengths and abilities.

Assertive. He is ready to put his firm foot ahead for promotion of interest of his ventures.

Persuasive. Building up a convincing ability and to make people do what he wants them to do.

Efficient monitor. He keeps an eye over the work there by ensuring that everything happens the way he wants that it should happen.

Employee's well-wisher. He is ready to undertake all necessary measures aimed at promoting welfare of workers, working in his enterprise.

Effective strategists. He is trained to device most effective strategies aimed at promoting the objective of an enterprise

James J Berna has listed the following competencies in a successful entrepreneurial.

1. He is an enterprising person.
2. He is always growth oriented.
3. He welcomes the introduction of advanced and improved technology.
4. He looks for any change like a watch dog.

B.C. Tandon highlights the following four qualities in a successful entrepreneur on these are –

1. He is enough risk bearer.
2. He is ready to adopt change, if the situation warrants.
3. He has ability to Marshall the resources at his command.
4. He is a good organizer as well as a good manager.

All the above mentioned competencies result in superior performance. David McClelland conducted a five year experimental study in one of the prosperous district of Andhra Pradesh in collaboration with Small Industries Extension and Training Institute (SIETI) Hyderabad. This experiment is known as 'Kakinada Experiment'. Under this

experiment young persons were selected and put through a three months' training programme and motivated to see fresh goals. One of the significant conclusions of the experiment was that the traditional belief did not seem to inhibit an entrepreneur.

The achievement motivation had a positive impact on the performance of entrepreneurs. The Kakinada Experiment has proved beyond doubt that entrepreneurial competency can be developed in human minds through education and training. Various qualities like motivation, knowledge, risk bearing capacity, locating and exploiting opportunity etc., so essential for the success of any venture, can be injected to prospective entrepreneur through proper orientation.

Entrepreneurial Development Programme (EDP) is primarily concerned with enabling a person in developing and strengthening his entrepreneurial skills, motives and capabilities which are so essential for playing his entrepreneurial role more effectively. EDP is an effective technique aimed at development of human resources. It is going to result in proper utilization of local resources, more employment generation and promotion of small scale units and overall development of an area. Entrepreneurial development is a systematic and organized activity. It acts as a catalytic agent for the development of an industry. EDP results in the overall improvement in the personality of an individual, transformation of outlook and ideas getting translated into actual enterprise.

Stages in Entrepreneurial Development Programme:

An entrepreneurial development programmes consists of 3 stages:

1. Preliminary stage
2. Training and development hub and
3. The follow-up

1. Preliminary stage:

This stage mainly focuses on creating awareness about their entrepreneurial opportunities. It consists of activities and preparations required to organize and conduct training programs.

2. Training and development hub:

The second stage is the training of the potential entrepreneurs. The training programmes which are mostly of six weeks duration, a package of training inputs is provided to the new entrepreneurs. The three main categories of training inputs are :(I). Need for Achievement or Motivation training, (II). Guidance in Business opportunities and support and (III). Enhancing Management abilities.

3. The Follow up:

The third stage is the follow up stage in which follow-up services are undertaken for various activities like: (I) Follow-up on loan application for finance (II) Facilitating infrastructure such as, land, factory shed and power, etc., (III) Trouble shooting. This continuous flow of follow-up programmes simply aims at finding out the practical difficulties faced by the entrepreneurs while interacting with various financial and promotional agencies. This activity will provide encouragement to the entrepreneurs to continue their effort towards the achievement of their goal.

Institutions that provide training for Entrepreneurs

Some of the institutions, which support entrepreneurs in our country, are as follows:

- Small Industries Development Organization(SIDO)
- National Small Industries Corporation Ltd.(NSIC)
- State Small Scale Industries Development Corporations(SSIDCs)
- Small Scale Industries Board (SSIB)
- India Investment Centre(IIC)
- Small Industries Services Institutes(SISIs)
- District Industries Centres (DICs)
- Industrial Estates
- National Institute for Entrepreneurship and Small Business Development (NIESBUD), New Delhi,
- Central Institute of Tool Design (CITD), Hyderabad.
- Central Tool Room and Training Centres (CTTC).
- Central Institute of Hand Tools (CIHT)
- Institute for design of Electrical Measuring Instrument (IDEMI). Mumbai.
- National Institute of Small Industries and Extension Training (NISIET), Hyderabad
- Technical Consultancy Organizations(TCOs)
- Institute for Entrepreneurship Development (IEDs) and Centres for Entrepreneurship Development(CEDs)
- Central Silk Board
- The Coir Board
- Entrepreneurship Development Institute of India (EDI), Ahmedabad.
- Rural Development and Self – Employment Training Institute (RUDSETI).
- National Bank for Agriculture and Rural Development (NABARD).
- Export – Import Bank of India (EXIM Bank)
- Regional Rural Banks(RRBs)
- National Industrial development Corporation Ltd (NIDC).
- Commercial Banks.
- Khadi and Village Industries Commission (KVIC).

Conclusion:

It is a fact that individuals can be developed, their outlook can be changed and their ideas can be given true shape of enterprise through an organized and systematic training programme. Entrepreneurial training aims at arousing and reforming the entrepreneurial behaviour in the day to day activities and helping them develop their own ventures or enterprises as a result of their learning or training. Development of an entrepreneur means inculcating entrepreneurial traits in a person, imparting requisite knowledge, developing the technical, managerial, financial and marketing skills and building the entrepreneurial attitude. The process of entrepreneurial training involves equipping a person with the information needed for enterprise building and sharpening his entrepreneurial skills.

References:

Khanka.S.S (2007), Entrepreneurial Development, S. Chand & Co. Ltd, New Delhi.

Renu Arora and Sood.S.K (2004), Entrepreneurial Development, Kalyani Publishers, Luthiana.

Awasthi.D.N (1989), The Missionaries: A Study of Entrepreneurs – Trainer – Motivators in India, EDI, Ahmadabad.