

## ENTREPRENEURSHIP DEVELOPMENT PRACTICES: A CASE STUDY OF HIMACHAL PRADESH

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### ABSTRACT

Historically whatever development has been initiated and sustained, the crucial agent of change have been the entrepreneur. They were who innovate and create new product or process and find new markets. The importance of entrepreneurship has now been widely accepted by policymakers and scholars. This is because of growing emphasis on the role of medium and small scale enterprises in view of their contribution to employment generation, regional development and economic growth. In any sphere of activity the need for training has been recognized as a necessity to achieve meaningful and reasonably good results .The objective of any entrepreneurial training institute is to develop potential entrepreneurs, enabling them to establish and manage enterprise successfully.

Experience shows that the entrepreneurs do not respond spontaneously to available business opportunities despite various incentives and inducements .In order to gear up entrepreneurship among entrepreneurs we need sound & strong training institutions which identify, motivate and strengthen the new class of entrepreneurs. One of the major objectives of the present study is to find out the practices of entrepreneurship development followed in the Himachal Pradesh and their contribution towards the development of SSI units. To start with the institution which are sponsoring EDPs has been identified and information regarding their performance has been obtained. Thereafter the institutions which are conducting EDPs have been approached and needed data for determining the present practices of entrepreneurship development have been collected with the help of questionnaires .

**Keywords:** - Entrepreneurship development programme, working capital, Technical knowledge, feasibility, product selection

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## **INTRODUCTION**

Entrepreneurship has been considered the backbone of economic development. It has been well established that the level of economic growth of a region to a large extent depends on the level of entrepreneurial activities in the region. The myth that entrepreneurs are born, no more hold good, rather it is well recognized now that the entrepreneurs can be created and nurtured through appropriate training. Entrepreneurship development and training is one of the key elements for development of small scale unit. The right type of entrepreneurial training helps to identify and develop the natural, inherent and potential virtues of the human being which use laying dormant, Hence it is widely accepted that entrepreneurship can be developed through well conceived and well integrated entrepreneurial training programs.

Geographically Himachal Pradesh is hilly state. To insure balanced development of all parts of state, it is necessary to promote entrepreneurship at local level. In India H.P is one of the state which have abundant natural resources. The objective of EDP is to promote entrepreneur at local level thereby we can harness locally available resources at best way. To understand this task on regular basis, Govt. of Himachal Pradesh has realised the importance of entrepreneurship training. There are five organisations are conducting EDP in Himachal Pradesh. Different kinds of activities have been undertaken by these organisations. In this paper an attempt has been made to identify major activities undertook during Pre-training period, training period and post training period and also major problem faced by these Institutions.

## **REVIEW OF LITERATURE**

**Nair (1996)** in her paper on 'Entrepreneurship Training for women in the Indian Rural Sector: A Review of Approaches and Strategies' while admitting a perceptible increase in both the intellectual and physical resources devote to the cause of research and action in the field of women development, argues that initiatives in the realm are largely policy induced and devoid of any clear focus or strategy. More importantly, the training system has to link up organically with some kind of credit delivery mechanism, either formal or informal. It has been observed that the formal system, with its highly standardized approach and bureaucratic machinery, has not been able. **Carland, J.C & Carland, J.W. (1999)** highlight the dark side of the entrepreneurship. The authors emphasize that understanding personality aspects can lead to strategies, which ameliorate

the individual impact. Social and economic plans can help to channel creative energies into less destructive paths. The practitioners are forewarned to monitor for potentially self-destructive behaviour. Further, researchers benefit by an explicit recognition of the existence of a dark side to entrepreneurship and by its incorporation into to literature and understanding of the phenomenon. **Arleux (2000)** Made an attempt to investigate entrepreneurs' and managers' conceptions of success in small firms in order to determine whether and how they may differ. Entrepreneurs and managers are identified as different types of small firms' owner-managers, differentiated on the basis of traditional entrepreneurial score index, a special variable created on the basis of traditional entrepreneurial traits. A population of respondents with middle scores is used as a test sample. Preliminary findings have led to re-define success as a subjective, three-dimension construct, encompassing professional, personal and familiar success. The index for global success (IGS) evaluation method is created to evaluate individual success according to one's own criteria. Entrepreneurial orientation (EO) viewed that risk taking; innovation and proactiveness have become important and extensively researched concepts in entrepreneurship studies. **Vijaya and Kamalanabhan (2001)** have expressed their views that there is need to treat entrepreneurial motivation as a separate entity and objectively measure and classify different types of motivation to draw meaningful inferences. The authors developed a scale relevant to the Indian context to measure entrepreneurial motivation. Five core motivations- the entrepreneurial core motivation, the work core motivation, the social core motivation, the individual core motivation and the economic core motivation – are identified with the help of factor analysis by the principal components method. Their strength is measured using the Likert-type five point rating scale. **Williams (2005)** conducted study on Entrepreneurship practices in Scotland. Since 1995 there has been a growth in entrepreneurial teaching in Scotland, largely as a result of the Scotland Business Birth-rate Strategy (2005) initiated by Scottish enterprise. Many of the Centers for entrepreneurship – that exist to –co-ordinate entrepreneurship teaching – support teaching by the case method and are active in engaging entrepreneurs in the teaching process. All the entrepreneurs had been engaged in the teaching process for at least 20 months. Most of them had also been involved in supporting enterprise in other arenas as saw the generation of economic activity through entrepreneurship as a long-standing and worthy objective.

**RESEARCH OBJECTIVE**

After a deep insight into the literature it was found that ample research is required in the field of entrepreneurship development practices in H.P.

The Specific objectives of the study are spelt out as under

1. To know the various activities undertaken during pre-training program.
2. To know the various inputs, contents, techniques and methodology followed during training period of EDP.
3. To know the post training activity undertaken to make EDP more effective
4. To know the various problems faced by EDP conducting organisations.
5. To know the evaluation criteria adopted by EDP conducting organisations

**DATA COLLECTION**

The study is based upon Primary data. It is collected from EDP conducting organisations. The collection of the data is done through questionnaire method.

**PERFORMANCE OF ORGANIZATIONS CONDUCTING EDPS IN HP**

Although four Organizations are conducting entrepreneurship development programmes in Himachal Pradesh but one organization i.e. state bank of India has also conducted one EDP. These organizations have conducted 197 EDPS in which almost 5000 participants were trained during the period of 2001 to 2006. The detail of organizations along with number of programmes conducted and participants trained are given in following Table

**Table: I-Detail of Organization Conducting EDPS in HP from 2002-03 to 2006-07**

S.No.	Particular	No. of Programmes	No. of Participants
1	Himachal Pradesh Industrial and technical consultancy organization Ltd.(HIMCON) Shimla	15 (7%)	292
2	Small Industry Service Institute (SISI) Chambaghat Solan	10 (5%)	135

3	Science and Technology Entrepreneurship Park Himachal Pradesh University Shimla (HP-STEP)	10 (5%)	80
4	Himachal Pradesh centre for entrepreneurship development Shimla	161 (90%)	4500
5	State Bank of India Head Office Shimla	1 (0.05%)	24

Source: - Annual Report of SISI, HP-STEP, HIMCON, HPCED, SBOI

It is revealed from Table-I that 15 programmes (7%) covering 292 participants were conducted by HIMCON and 10 Programmes (5%) covering 135 participants were conducted by SISI Chambaghat, Solan and 10 EDPs(5%) covering 80 participants were conducted by HP-STEP, and maximum 161 EDPs almost (90%) covering approximate 4500 participants were conducted by Directorate of Industries Shimla through Himachal Pradesh Centre for Entrepreneurship development board Parwanoo and only 1 EDPs (0.05%) covering 24 participants conducted by SBI Shimla.

### **MAJOR ACTIVITIES OF EDPS CONDUCTING AGENCIES:**

The major findings with respect to the qualitative areas of entrepreneurship development programmes are presented below under the following heads;-

- Pre-training promotional phase
- Training phase-Methodology and inputs
- Post training follow up phase

#### **Pre-Training Promotional Phase:**

The ultimate success of any EDP, to a large extent, depends on the pre-training promotional work done by the training organizations. As such, through the questionnaire/interview schedule, details of different pre-training promotional activities undertaken by the training organizations were identified. The pre-training phase is started with the agency proposing to conduct the EDP by submitting ‘Centre Feasibility study’ to the sponsoring agency. The idea behind the feasibility study is to scan the environment in terms of local resources available, identification of the viable venture opportunities, identifying the potentials in terms of products / projects, infrastructure support; institutional framework etc. On receipt of sanction from sponsoring agency, the EDP conducting agency starts the marketing of the EDP.

Based on the information made available by the 5 organizations conducting EDPs, the major activities during pre-training period carried out by these organizations have been listed in Table-II

**Table:II-Pre-Training Activities carried out by EDP Conducting Organization**

S.No.	Activity	No. of Organizations which carried it out
1	Pre-feasibility study	03
2	Submission of the proposal to the sponsoring agency	03
3	Programme announcement in local newspaper	05
4	Meeting with DIC officials /local associations /local banks for assistance in identification of the participants	05
5	Identification of faculty /guest faculty for EDPs	05
6	Visits to various organizations by course coordinator	03
7	Programme publicity through supporting organizations	04
8	Circular/letters to various organizations	03
9	Radio announcement/Cable TV	02
10	Hand bills & pamphlets	01
11	Identification of viable ventures	02
12	Preparation of course/instructional material in local language	04
13	Fixing of venue /other infrastructure facilities for conduct of EDPs	02
14	Finalizing course curriculum	02
15	Visits to technical institutions and employment exchanges	02
16	Finalizing the units for field visits	01

Source:-Compiled from data provided by EDP conducting organizations

As shown in the Table-II it is observed that preparation of the “centre feasibility report” was carried out by only Three out of 5 EDP conducting organizations. The purpose of identifying venture opportunities in advance was to help the EDP participants in identifying the projects, which could match their skills and temperament, with a view to prepare a list of viable projects in

the districts, the EDP conducting organizations visited major industries around, made use of secondary data from various sources and then decided the project which could be taken up by the trainees. This exercise was done by 3 out of 5 agencies conducting EDPs. All the organizations which conduct EDPs gave programme advertisements in local newspapers. The advertisements highlighted the programme objectives, mentioned target group, course content, eligibility criteria, methodology of conducting the programme, assistance in project identification and post training follow-up support. In most cases, single advertisement in one of the newspapers was considered adequate. However, when the course was conducted in smaller towns where availability of adequate number of participants was doubtful, the training institutions advertised the programme in more than one newspaper. Programme advertisement was repeated after a gap of 15-20 days if the response was found inadequate. The EDP conducting organizations involved the banks/local polytechnic/ITI right in the initial stage seeking assistance in identifying the number of participants. Banks/local polytechnics/ITI/DIC was involved by 4 out of 5 EDP conducting organizations.

The second most important pre-training promotional activity was identification of resource persons for conducting the programme. Technical Consultancy Organisations, small industries service institutes and institutions with limited core faculty considered faculty identification for more important an activity in comparison to organizations having in house faculty. Interaction with educational and training institutions revealed that since their core competency was in training and development, they had developed a well-knit in-house faculty resource base to cover the basic training module. These institutions took the support of external faculty only for two reasons: First, the external faculties were from a highly specialized area/product-specific; and secondly, the guest faculties were from different support agencies like DIC, Banks, SIDBI, IDBI, State Financial corporations, small industrial development corporation (SIDC), NABARD, KVIC, etc. The idea of interface was that the participants found it more comfortable to interact with the agencies after the training had been completed. The availability of external faculty was found to be a serious constraint in smaller/distant rural areas.

Visits to various organizations and institutions associated with entrepreneurship development were the third activity falling under pre-training promotional work. Out of 5 EDP conducting organisations, 3 had reported to have undertaken such activity. This activity was carried out with objectives of generating awareness about the programme and seeking co-

operation from such organizations in identifying the participants and also for providing resource faculty. Majority of the training organizations reported to have received good response from organizations which they visited.

Out of 5 organisations, 4 reported that they had requested the supporting institutions to publicize the programmes. Such publicity was usually done by supporting institutions by the way of displaying the programme brochures at conspicuous places and circulating the information amongst officers and staff who matter in such work. The EDP conducting organizations focused on contact person in key positions, namely opinion leaders, public workers, local panchayat, block development officers / local associations, for identifying the potential participants.

The practice of sending circulars / letters to various organisations involved in entrepreneurship promotion was adopted by only 3 organisations. The purpose of writing such circulars/letters was to spread message about the programme. The training organizations shared that such an attempt helped them in getting better response to the EDPs. Wherever feasible, such circulars/letters were followed up by the personal visits by the programme co-coordinator. Radio announcements about programmes were got made by only one EDP conducting organization. Such announcements were made through local/nearest station of all India radio and the contents of radio announcement were largely the same as those of newspaper advertisements. Cable TVs. was also used to advertise the EDP by 2 EDP Conducting organizations, the training institutions did not report any problem in getting such announcement made. The purpose of announcement was to reach EDP aspirants in far-flung areas where newspaper might not reach. There was, however, no evidence to assess the effectiveness of such announcement through all India radio.

The programme advertisement by the way of sticking/ distributing handbills was found to have been practiced by 1 organizations. Such hand-bills usually carried a concise version of the programme advertisements. The main objective of the handbills was to supplement the efforts of EDP Conducting organizations in spreading the message about EDPs. When asked to mention as to how handbills helped, it was revealed that the handbills were usually pasted to the local buses, local trains, public places and got put on notice boards of educational institutions, and agencies assisting entrepreneurs. Two of the organizations got the handbills inserted in newspapers through hawkers. Responses were obtained from the agencies contacted with respect to their involvement in each of the activities listed above. No direct standard measurement is available to assess the

degree of emphasis given by the various institutions to each of these activities. Therefore, a rough estimate was made to judge these aspects.

Even though the preparation of instructional material was considered an important pre-training activity, it was reported to have been carried out by only 4 EDP conducting organisations. Even they did not make tailor make the course material compatible with the needs of the target group. The 4 organizations included technical institutions and training institutions involved in the task of entrepreneurship development. Why other training institution did not carry out this activity before training is something which needs to be further explored. These 4 organisations included state level industrial and technical Consultancy Organisations which conducted large number of EDPs away from their headquarters. Designing of the course schedule again revealed lack of need based approach. Out of 5 organisations, one had finalized the course curriculum prior to the start of the programme. Others were reported doing it on weekly or fortnightly basis.

Two organisations visited technical institutions and employment exchanges with a view to spread message about EDPs. Another organizations deputed its officers even to an industrial area for the same purpose. To what extent such visits were effective and whether such visits should be planned as part of pre-training activity is something which the professionals in the field of entrepreneurship promotion need to look into.

The foregoing discussion has thrown light on various activities involved in pre-training preparations. Release of programme advertisements in leading local newspapers, identification of resources persons for the course, visits by the programme coordinator to various supporting organisations, requesting the supporting institutions to publicize the programme, and sending circulars/letters to the organisations which matter, constituted important pre-training activities in the conduct of EDPs. Radio announcements, sticking of handbills, visits to educational institutions and employment exchanges, and visits to industrial areas were also tried to attract applicants. Firming up of viable project ideas, preparations of instructional material and arranging infrastructure for the smooth conduct of the EDPs were the other activities which were required to be taken up before the conduct of EDPs. The programme sponsoring organisations, while deciding budgets for EDPs, asses the requirements of carrying out such activities and provide needed funds to the training organisations.

**Training Phase Methodology and Inputs:**

Broadly EDP models have been structured on the models developed by the following:

- Entrepreneurship Development Institute of India, (EDII), Ahmedabad.
- National Institute of Entrepreneurship and Small Business Development,(NIESBUD),New Delhi;
- Models developed by Technical Teacher`s Training Institute
- State Bank of India,(SBI)
- Product/Industry and Location-specific module designed in consultation with the sponsoring organization (Mix of EDII and NIESBUD model).

The study of sample EDP organizations was done to find out which of the above models was practiced. The data compiled has been given in Table-III

It is observed that broadly there are two models namely EDIIS model

And NIESBUD Model in use. Technical Teachers Training institute (TTTI) is using its own model which they had developed in 1988, as an attempt to institutionalized entrepreneurship developed courses for technician students (polytechnic students) spanning 168 hours training containing two part, namely Module1(for stimulating entrepreneurship-24 hours)and Module 11(for Entrepreneurship development-144 hours).A few entrepreneurship development conducting organizations use a mix of the EDII and NIESBUD models, with slight need-based changes. The state bank of India (SBI) has followed its own module. Table-III presents EDP training model practiced by different EDP conducting organizations

**Table:III-EDP Training Modules practiced**

Name of Module	No. of organizations following the module
EDII Module	2
NIESBUD Module	2
TTTI Module	1
SBI Module	1
Mix of EDII&NIESBUD Modules	5

Source:-Compiled from data provided by EDP conducting organizations

Since product-specific Entrepreneurship Development Programmes (EDPs) are now being conducted/ sponsored instead of general EDPs, the EDP Modules evolved for all type EDPs do not any longer answer the needs of entrepreneurs of different backgrounds lines of activity. The modules are therefore, varied according to the product for which EDP is proposed to be conducted. Variations in the modules are obvious as the inputs needed are different in view of the product-specific requirements and also keeping in mind the background and the level of entrepreneurs who may seem alike in line of activity but heterogeneous on account of education, family background, personality make-up, level of commitment, variation in various characteristics of entrepreneurship etc. Uniformity in the matter of inputs, methods and techniques of imparting instructions cannot be enforced without affecting quality and objective. It was observed that changes in the inputs, methods and techniques were not affected according to the changing time and environment for making EDPs effecting and relevant to the participants.

### **Programme Inputs**

The Entrepreneurship Development programmes are conducted to create awareness about the enabling environment as well as to bring sensitivity in the participants in the highly changing world scenario .The training inputs have, therefore to be package aimed at blossoming the latent motivational traits, reorienting attitude, sharpening skills and enhancing the dimensions of knowledge and awareness .As each individual is a unique human being and to find out his potential is highly complex activity, a package of various relevant inputs for EDPs is carefully formulated to achieve the training objectives.

It is observed that training package was not reviewed periodically and not also tailor-made to suit each individual trainee, Heterogeneity In training groups was the hindering factor in this respect. Besides providing the above stated inputs, the EDP conducting agencies also used to provide core inputs in EDP.

**Core** inputs were psychological and managerial inputs which were given by all the training organization uniformly .Qualitative evaluation of the inputs cannot be made easily and that is also not the subject of present study.

The inputs covered by the organization conducting EDPs can be broadly classified in to three categories.

a) Motivational inputs.

- b) Functional inputs
- c) Educative inputs

The data collected with regards to these inputs has been presented in Table-IV

**Table:IV-Responses of EDP Conducting Organization On The basis Of Trainings Inputs Given in Programmes**

Sr.No	Training Inputs Given	No. of EDP Conducting Organizations
01	Achievement Motivation training (AMT)	05
02	Management Skills	05
03	Scanning of Environment	03
04	Opportunity Guidance	04
05	Product Selection	04
06	Technical knowledge &Skill development	03
07	Preparation of project report	04
08	Working capital management	03
09	Support systems &procedure	04
10	Market Survey/Feedback	03
11	Field visit to SSI Units /Business/Service organization	02
12	Labour laws/Accounting inputs	03
13	Business Laws banking	01
14	Tax Laws	01
15	Incentives extended to SSI units	03
16	Marketing techniques &Strategies	02
17	Case studies of successful &failure units	02
18	Skills to diagnose the symptoms of sickness in the incipient stage	00
19	Changing environment and challenges presented by opening up of economy and WTO prescriptions	01
20	Causes of sickness	00

Source:-Compiled from data provided by EDP conducting organizations

It is revealed from Table-IV that all the 5 EDP conducting organization have provided inputs on achievements motivation /entrepreneurial motivation training working capital ,incentives as well as management skills . Inputs on scanning of environmental was provided by 03 EDP conducting organizations .Inputs on opportunity guidance product selection and preparation of project report were given by 04 out of the 05 training organizations.EDPs out of the total 05 provided inputs relating to technical knowledge and skill development .The inputs on awareness about the support systems available for individual activities and the procedures required to the followed for procuring support on specific matters were provided by 04 training agencies out of the total number of 05 EDP conducting organization .So far as the market survey and such feedback techniques are concerned,03 EDP training organization provided education .The inputs to create awareness and impart knowledge on labour laws and importance of accounts as well as skills in regard to accounting and book keeping were provided by 3 EDP conducting organization out of the 05 such agencies. Only 1 training agency cared to provide awareness of business laws, tax law and banking law. Inputs on marketing technique and marketing strategies were given field to sustain during training by 02 of the 05 EDP conducting organization. Field visits were organized by 2 training agencies.Case studies of successful entrepreneurs and those units, which failed to sustain were provided to the participants for discussion and application of concepts, knowledge and skills for proper analysis of practical situations involved therein by 4 EDP training organization. 1 EDP organization conducting awareness programme regarding current issues of WTO regime  
Inputs were not given by any EDP conducting agency on 3 areas

- Skills to diagnose the symptoms of incipient sickness
- Awareness of changing environment, challenges thrown up by opening up of economy and issues relating to WTO regime
- Causes of sickness in the units

### **Post Training Follow –Up Activities:**

The Ultimate objective of the entrepreneurship development programme is to prepare the participants to start their enterprise ,for achieving this, the follow up and support activities, after the EDP has been completed, are very crucial.

Follow up can be made to ensure that the trainees set up their units ,and their ventures are able to overcome the initial difficulties with confidence .Follow up can be evaluate EDP so far as training part is concerned. This study considered follow up in the context of successful setting up of SSI units and avoiding possibility of any sickness, say remaining in contact with trained entrepreneurs for about 2-3 years after setting up of the respective units. Opinions of EDP conducting organisations regarding different post training follow-up activities have been presented in Table-V

**Table:V-Distribution of EDP Conducting Organizations Based on Their Post Training Follow Up Activities**

Sr.No	Follow Up Activity Carried out	No. Of EDP Conducting organizations
1	Follow –Up meeting held	03
2	Correspondence made with trainees and various organizations on follow up	04
3	Free guidance and counseling given to trainees	02
4	Personal visit by trainer	01
5	Personal visit by coordinator	01
6	Monitoring committee/Problem solving Committee meeting held	02
7	Escort services extended to trainees	02
8	Assistance in project report Preparation	02
9	Feedback sought by sponsoring organizations	02
10	Feedback and suggestions given to sponsoring organization	00
11	Extended stay of coordinator at training centre(beyond duration of course)	00

Source:-Data collected from EDP conducting organizations

It has been observed from Table-V that not all organization imparting entrepreneurship development training offer such follow up services in true spirit .There were a few EDP conducting organizations ,which admitted that there was no further contact with the trained

participants on completion of EDPs .On the hand there are few organizations which follow up after training ,till the entrepreneurship reached the break-even stage. which meets once in 3/6 months .The follow up activities pursued by the organization under study have been found lacking and require serious attention to improve existing condition 03 EDP Conducting Organization held the follow –up meetings with the trained entrepreneurship to find out the working ,any problems/difficulties experienced and any support required. 4 training Organization established contact with the trained entrepreneurship regarding follow-up and support. 2 training agencies hold meetings of monitoring committee. 2 training organization extended assistance to the participants for the preparation of project report. Only 1 EDP conducting organization arranged personal visits of the trainers and coordinators to the unit, they are provided escort services to the participants of EDPs. Regarding collection of feedback from the trained entrepreneurship about the progress made ,experience in the various activities undertaken and difficulties faced in setting up their units, only 2 EDP Conducting organization took this initiative .None Of the EDP Conducting organization attended two areas viz (1) No feedback Suggestion Was given to the Sponsoring organization on their Own

(11)The co-coordinator /trainer had not extended stay at the training venues beyond the duration of the course to enable the trained entrepreneurship to seek guidance on any matter.

## **EVALUATION CRITERIA OF ENTREPRENEURSHIP DEVELOPMENT PROGRAMMES (EDPS)**

One way of evaluation the Entrepreneurship development programme (EDPs) is to assess their effectiveness in developing need for achievement among the entrepreneur i.e. qualitative evaluation. The other way could be, either exclusive or as part of the first method, an assessment of core and other relevant training inputs, methodology adopted and techniques followed. However the sponsoring agencies used different parameters/ criteria to assess the effectiveness of EDPs namely how many new enterprises are established or existing ones expanded, total investment made (or additional investment made) number of jobs created, sales volume or increase in sales, improvement in regard to repayment of loans, etc.

The institution conducting the EDPs was asked to specify the evolution parameters and also share their success rate. Out of 5 EDP conducting organization, 3 organizations reported success rate between 40 to 50 percent 2 between 25 percent to 40 percent. However the success

rate is overall covering all activities such as trading/ other business enterprisers, services sector and small-scale industry. The organizations admitted that success rate exclusively for small scale sector was abysmally low.

There is no structured format/methodology prescribed by EDP conducting agencies to collect and verify the facts form the EDP conducting organizations, financial institutions/banks. As the sponsoring organization is in the public sector, scientific management and specialization have not yet entered their bastion. Specialized research agencies were also not engaged by sponsoring/ training agencies to introduce proper system of evaluation. The entrepreneurs also did not maintain proper books of accounts. Unless audited or at least properly prepared accounts are made available, the evaluation on financial parameters becomes very difficult. The EDP conducting institutions are not following a scientific method of evaluation, which is very important ,as of now there is no permanent evaluation cell with any EDP sponsoring/ training institution. Table-VI presents EDP evaluation criteria adopted by different EDP conducting organizations.

**Table:VI-Distribution of EDP Conducting Organizations on The Basis of Programme Evaluation Criteria Adopted**

Sr. No.	Suggested Evaluation Criterion	No. of EDP conducting Organization which followed it
1	No. of units established	04
2	No. of units operating with success after 3 years	2
3	Employment generated	3
4	Competencies developed	3
5	Time taken for establishing units	1
6	Cost overrun in project implementation	1
7	Marketing problems	1
8	Better management practices followed and methods adopts	1
9	Growth of units established	1

10	Contribution of entrepreneurs to gross national product	1
11	Demand for more EDPs	1
12	Suitability/ compatibility of training inputs given	1
13	Response to follow – up meetings.	1

Source: compiled from data collected from EDP conducting organizations.

As per the observations given in Table-VI it is found that 4 EDP conduction organizations of the total number of 5 such agencies based their evaluation of EDPs on the number of units established by the trained entrepreneurs .2 Training organization based their evaluation of EDP conducted on the number of units operating successfully after 3 years of the setting up of those units. 3 training agencies evaluated EDP programmes on the bases of employment generated and competencies developed in the entrepreneurs/ units. Only 1 EDP conducting organization based evaluation of EDP training on one of the following criteria viz.(1) Time taken for establishing units, (ii) cost overrun in project implementation, (iii) marketing problems, (iv) better management practice followed and methods of working adopted (v) growth of the unit established (vi) contribution of the entrepreneurs /Units to gross national product (VII) Response of the trained entrepreneurs to the follow – up meetings.

Suitability or compatibility of the training input for each EDP (matching with the profiles of the participants) was not considered as a basis for evaluating EDP by any of the 5 EDP conducting organization

Projectisation demands periodical reviews and evaluations'. Project Evaluation and review Technique and critical path method are used during and after project implementation. There are various other techniques used for specific activities during the course of project implementation to avoid cost and time over runs. The training organizations considered different parameters to give their perception regarding the effectiveness of the EDP conducted by them. None of them perceived effectiveness on the basis of successful operations of the units set up by the trained entrepreneurs up to a time span of 2 to 3 years after those who were set up. They also did not base effectiveness on comparison in working results, sales volume scientific management practices, etc. with non trained entrepreneurs, units in the same line of activity, in the same area, using the same technology and having the same size etc

## VARIOUS PROBLEMS FACED BY TRAINING ORGANIZATIONS

Public sector is afflicted with rigid rules, bureaucratic delays and limited delegation. Added to these is political leadership of various semi-autonomous organizations (mostly corporations). In all organizations where funding is done from the government. Therefore problems are bound to be there in all EDP sponsoring and training organizations as they are in the public sector.

Having discussed the pre training activities, process of selection, programme inputs, post training follow up activities and performance of HPCED, now here an attempt has been made to highlight the various problems faced by training organization.

**Table:VII-Distribution of EDP Conducting Organizations on the Basis of Problems Faced**

Sr. No.	Problem Nature	No. of Organizations facing such problems
1.	Suitable candidates inadequate	5
2.	Competent guest faculty insufficient	4
3.	Collateral securities insisted upon by banks	5
4.	Inadequate finance for EDPs from sponsoring agencies.	4
5.	Delay in releasing assistance by the support system	3
6.	Rules inflexible	5
7.	Post-training follow- up lacking	4
8.	Candidates not serious	4
9.	No separated cell for EDPs with sponsoring organization and also with training agency	3
10.	No regular faculty and staff for EDPs	4
11.	No. core faculty with training Agency	4
12.	No regular sanction of programmes	3
13.	Inadequate infrastructure for entrepreneurs	4
14.	Entrepreneurship awareness at low level with participants	3

15	Unable to satisfy trainees (expectation high)	3
16	Heterogeneous background of trainees (pulling apart during group discussion, and during lectures, not related to their identified activities)	3
17	VIP treatment expected by trainees (attitude possibly due to EDPs at no cost to the trainees)	3
18	Risk taking capacity low in trainees	4

Source: compiled from data provided by EDP conducting organizations.

It is apparent from Table-VII that all the 5 EDP conducting organizations have stated that (i) suitable candidates are always inadequate in number, (ii) collateral security/ third party guarantee is insisted upon the banks while considering loan applications for extending finance, (iii) the EDP sponsoring organizations are almost in the public sector, their rules are inflexible. 4 EDP training agencies stated that (I) post training follow up was lacking and (ii) entrepreneurship awareness was at low ebb with the participants of EDPs. 4 EDP training organizations stated that the EDP trainees (participants) had low risk taking capacity. 4 EDP training agencies stated that (i) there was delay in releasing financial assistance for conducting EDPs on the part of the support system, and (ii) the participants were not serious during training. 4 EDP conducting agencies stated that (i) there was inadequate infrastructure for entrepreneurs, and (ii) the participants had heterogeneous background, due to which many of them pulled apart during group discussions, and during lectures containing topics not related their identified activities. 4 EDP conducting organization stated that (i) competent guest faculty was insufficient (at time not available) (ii) sponsoring agencies provided insufficient finance for conducting EDPs (ii) there was no regular faculty available with them. 3 EDP conducting organizations stated that there was no separated cell with sponsoring or training organization for EDPs. 3 EDP conducting organizations stated that EDPs were not sanctioned for being conducted by them as a regular feature. 3 EDP training agencies stated that trainees have very high expectations from the programme and hence they could not be satisfied by the training organizations. They expected their units to be set up and left running with them without any effort of their own part. 3 EDP conducting organizations stated that the trainees expected VIP treatment, could be due to sponsorship under various government schemes.

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