CHAPTER – VI

SUMMARY OF FINDINGS AND A SCHEME OF RECOMMENDATIONS

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SUMMARY OF FINDINGS AND A SCHEME OF RECOMMENDATIONS

In the present chapter an attempt is made to recapitulate the main findings of the research and make suggestions on the basis of the main findings on the various aspects covered in the present research.

The chapter is divided into two parts. Part - I is concerned with main findings of the research and part-II carries with it a scheme of policy recommendations.

PART - I

The myth that entrepreneurs are born and not made no longer holds good. It is well-known fact that entrepreneurs are not born and can be made. In the context of developing economy like ours, since mid 1960s entrepreneurship development through training has assumed the proportions of a movement. But, it requires to mould, motivate and train them through proper EDPs. Thus EDPs become a vital input for harnessing the vast untapped human skills, to channelise them into accelerating industrialization in general and growth of the small scale sector in particular.

But, to make the EDPs more effective, they need to be evaluated in order to identify the deficiencies and to take corrective action. One of the important approaches for evaluation of EDPs is the number of units started by the trainees within a reasonable period of time after completion of the programme. Thus, higher the number of units started by the trainees more successful will the EDP, vice versa. But, training is one input in the process of enterprise creation. There are other factors such as the trainees, trainer, the support system and the
sponsors which play a very important role. Hence, this is a comprehensive study covering all these aspects.

1. Performance Evaluation of EDPs
   
   a. Start-up Rate
      
      The start-up rate among the sample respondents was high at 77.35 per cent. The percentage of non-starters was only 22.65. Out of non-starters, 4.75 per cent respondents were actively pursuing to start the enterprises, another 7.69 per cent of respondents were blocked at various stages in the process of setting up of their ventures.

   b. Start-up Rate by Gender
      
      Start-up rate among the female trainees was high at 80.85 when compared to the male respondents at 76.47 percent. The rate of non-starters was less among female (19.15%) than the male (23.53%). This findings of higher start-up rate among female trainees is similar to the findings in an all India evaluation study. Given the socio-economic cultural milieu in our society, our start-up rate among female trainees in spite of so many hindrances is quite encouraging. It, may be interpreted that the females participants take the training in true spirit.

   c. The First Generation Focus
      
      One of the major objectives of the EDPs is to create first generation entrepreneurs. 30.33 per cent of the respondents were from non-business background. In other words, 30.33 per cent of the respondents had come from the background of farming and artisan. The remaining 69.67% of the respondents had entrepreneurial background. This shows that the EDPs have not fulfilled the objective of creating the first generation entrepreneurs. This explains amply the start-up rate which is much higher than the state averages.
This further confirms the findings of earlier studies that entrepreneurs emerge from business communities.

Socio-Economic Background and Performance of EDP

d. Gender of Respondents

Though there is male bias when compared to sex composition of general population, female percentage is significant considering their percentage in entrepreneurial activities. The percentage of female starters was 80.85 which is relatively high. It may be interpreted that female trainees are more serious about the training and its purpose than the male respondents.

e. Martial Status

153 respondents constituting 65.38 per cent of the total were married. Remaining 81 respondents constitutions 34.62 per cent were unmarried. Amongst unit starters 64.08 per cent were married and 35.62 per cent were unmarried. In case of non-starters, the percentage of married was 69.81 and unmarried 30.19, the analysis showed that there was no proper correlation between the start-up rate and marital status of the respondents

f. Respondents' Age

It is in accordance with the general findings that the people below 40 years are susceptible to changes. Further, classification of age of respondents showed that 31.63 per cent were below 25 years of age and another 37.17 per cent of respondents were between 25-30 years of age. In other words, 68.80 per cent of the respondents were below 30 years of age. It is significant to note that majority of the respondents who have undergone training belonged to younger generation. It may be concluded that EDPs have fulfilled the objective of training the younger generation for entrepreneurial pursuits.
125 respondents out of total of 181 who have started the enterprises, constituting 69.05 per cent, were below 30 years of age. Another 18.78 per cent of the respondents were in the age group of 30-35, 11.04 per cent were in the age group of 35-40. The data indicates the better start-up rate in case of respondents who were less than 30 years of age.

g. Type of Family

It reveals that 105 respondents out of 234 constituting 44.88 per cent came from joint families. The remaining 129 respondents accounting for 55.12 per cent belonged to nuclear families. Further, analysis of the type of family of unit starters shows that 102 (56.35 per cent) respondents belonged to nuclear family and remaining 79 (43.65 per cent) belonged to joint family. The same trend revealed in case of non-starters.

h. Educational Background

In the entire sample of 234, there were only 3 respondents with degree qualification. It may be interpreted that in India, entrepreneurship is not still attractive to graduates and post-graduates.

The analysis of educational background of starters and non-starters, the start-up rate amongst the trainees with technical education was highest at 90.90 percent. The least starting rate of 60 per cent was found among graduates.

It may be interpreted that the trainees with technical background are better equipped to start the enterprises then the individuals with less formal education.

It is clear that the individuals with higher formal education have not been given input about entrepreneurship and still continue in the traditional mould of seeking employment.
i. Father's Education

Among the respondents whose further's education was pre-degree, the start-up rate was the highest at 79.25 per cent. The start-up rate among the trainees having father's with degree was second highest at 76.92%. The start-up rate among the respondents whose fathers were illiterates was the least at 73.80% per cent. Hence, it may be concluded that the start-up rate is influenced by the educational background of the fathers of trainees.

j. Fathers' Occupation

There is nexus between the start-up rate and the occupational background of the respondents. All the 18 respondents whose fathers were already in industry had started the enterprises. The start-up rate has not been 100 per cent in other cases though the rate is significant. In other words, there were non-starters in case of respondents whose fathers' occupation was other than industry, though less significant. It may be inferred that occupational background influences the start-up rate.

k. Religion of Respondents

Amongst the Hindu, the start-up rate was 77.77 per cent which is slightly higher than start-up rate among the Mulsim respondents at 70.58 per cent. It may be wrong to interpret that 100% of the Christians in the sample start the enterprise because their number in the sample was insignificant.

l. Respondents Caste Category

The start-up rate and caste category of respondents also revealed interesting thing. Among the SCs the start-up rate was highest at 81.81 per cent followed by general category at 77.77 per cent. Relatively less start-up rate was noticed among the STs.
m. Respondents Mother Tongue

The start-up rate was also highest among the Kannada speaking respondents. Since the official language of the state was Kannada, a large number of people spoke Kannada. It is difficult to establish the influence of language and the start-up rate though the start-up rate amongst the Hindi speaking respondents was relatively less at 66.67 per cent.

n. Location of Respondents

Out of 181 respondents who started the enterprise 118 (65.19 per cent) of respondents were located in urban area and the remaining 63 respondents (34.81 per cent) were located in rural area. The start-up rate was highest at 77.63 per cent among the urban respondents. It was 76.82 per cent among the rural respondents.

o. Family Income

The highest number of respondents (88) of the total were having income of less than Rs. 50,000 per annum. Another 60 respondents were in the income category of Rs. 50,000 - 75,000. It may inferred that a majority of 63.24 per cent of the respondents were in relatively lower income category. This shows that the objective of the EDP of spreading entrepreneurial spirit among the less privileged is fulfilled.

The start-up rate was also highest at 35.91 of the total starters among the respondents in the income category of less than Rs. 50,000. It may be concluded that the economic background of the respondent influences the start-up rate.

p. Family Occupation

Often it is said that a person with the background of business or industry is more likely to succeed in unit starting than the person who does not have
this privilege. It may be noted that the start-up rate was relatively higher among the respondents with traditional industrial background followed by traditional servicing (76.66 per cent) and traditionally business background (76.31 per cent). It is clear that industrial background is still the facilitating factor for starting enterprises.

q. Previous Work Experience

It is often argued that work experience in concerned field has a significant bearing on the success of entrepreneurs. Potential entrepreneurs with EDP training and also previous work experience are better equipped for managing and controlling units efficiently and effectively. The finding of the study also proves that the previous work experience significantly influenced the start-up rate. This clearly explains the start-up rate in the sample selected for the study at 77.35 per cent of the total.

r. Activity Chosen for Training

Within the activity chosen the start-up rate was highest at 85.36 per cent in trading activity followed by 73.68% in service activity. In manufacturing activity, start-up rate was 68.42 per cent. It may be inferred that the trading and servicing require relatively less capital and expertise than the manufacturers. That's why the start-up rate was higher in trading and servicing than in manufacturing activity.

s. Activity Wise Trained Starters and Non-starters

The start-up rate was 100 per cent in case of Bakery, Medical Shop, Areca nut Business, Dry Cleaning, Homeopathy, Stationery Mart and Sheep and goat rearing. Whereas very least of 50 per cent was found in case of crusher because it requires heavy outlay.
t. Year of Establishment
The year of establishment of an enterprise throw light on the nature of entrepreneurial ability and performance.

If we draw a line at the year of 2001, 116 units came into existence. Prior to the 2001, 65 units came into picture.

u. Time taken to Start the Unit
67.95 per cent of the total respondents started their own units within a year. 27.62 per cent of the total respondents started their units in 1-2 year period of time. Remaining 4.43 per cent of the respondents started their units in 2 years and above period of time. However, it clearly states that, most of the respondents started their units within a year after completing the training programme.

v. Type of Ownership of Enterprises
It is interesting to note that majority of 172 (95.02 per cent) respondents owned, controlled and managed their units. Partnership concerns were only 7 (3.86 per cent) one interesting point is that most of them were family units. 1 (0.55 per cent) unit was run on the co-operative basis.

w. Initiation of the Unit
Most of the entrepreneurs, 163 (90.05 per cent), started their units with their own efforts and the remaining were inherited.

x. Registration of Units
About 128 (70.71 per cent) of the entrepreneurs registered their small-scale units with different authorities to get some benefit from the government.
y. Health of the Unit:

114 (62.98 per cent) units were in good state of health and operating successfully and running with continuous cash profit. About 59 (32.59 per cent) of the units were running at the break-even level. Above 8 (4.43 per cent) units were making cash losses. Therefore, the rate of sickness among the EDP fed ventures is far less it clearly states the shortage of working capital, non-cooperation of the funding agencies etc., are some of the internal and external seasons for the sickness.

It may be concluded that the performance evaluation of EDPs in the study area showed a fairly good success.

2. Pre and Post Training Analysis of EDP Trainees

a. Sources of Information to Trainees about EDP

The analysis of respondents who depended on a particular source of information revealed interesting information. Out of the 28 respondents who received information about the EDP directly from the officials, 22 (78.57 per cent) had started the enterprises and the remaining 06 (21.43 per cent) were non-starters. This was the highest start-up rate in the sample. The next highest of 78.37 per cent of starters had received information form radio advertisement, and another 78.12 per cent received information from the Newspaper source. The percentage of starters among those who received information from T.V. publicity was the least at 73.17 per cent. It may be concluded that the Newspaper, Radio and Direct information after acts genuinely interested people to EDPs.

b. Factors Promoting to Join EDP

Score of motivation or promotional factors responsible for the potential trainees to join EDPs and are important variables influencing the performance of EDPs.
28 respondents who joined EDP "out of wish of authority", 23 respondents (82.14 per cent) had started the enterprises, and this is highest start-up rate in the sample. In case of 48 respondents who joined EDP due to the family members, 39 respondents (81.25 per cent) were the unit starters. In case of respondents who joined EDP voluntarily, 76.27 per cent had started the enterprise. The start-up rate of 72.50 percent which is the least was found among the respondents who had joined EDP on the advise of relatives and friends.

The analysis makes it very clear that the support extended for joining EDP should be continued there after and it would be available when some one joined EDP due to the recommendation of the authority and family members.

c. Primary Reasons to Join EDP

The success and failure of EDPs is also likely to depend on the primary reasons to join the training programme. Understanding of the trainees reason for joining EDPs could help anticipate the start-up rate. 100 per cent of the respondents who joined the EDP with the intention of getting training had started their unit. The start-up rate was also higher at 70 per cent among the respondents who joined EDP out of family force. The least percentage of respondents (56.25 per cent) who have started their unit joined EDP for the purpose of expanding existing unit. It may be interpreted that the respondents with latent entrepreneurial spirit will be more successful in starting their enterprises than the others, therefore, individuals with entrepreneurial qualities should be chosen for EDPs.

d. Stage of Preparedness before Joining the EDP

Stages of preparedness of a potential trainee before joining EDP could be an important determinant of the start-up rate and the performance of
EDPs. Generally higher the stages of preparedness, higher would be the chance of settlement and vice versa. A potential trainee with business back up and adequate preparation for entering into line of actively likely to succeed in his attempt to launch a unit.

e. Basis of Selection of Trainees for EDP

The analysis of start-up rate among these respondents showed that 58.56 per cent of the total starters had previous work experience. This is not so significant because 58.49 per cent of the non-starters also had previous work experience. But it can be clearly observed that entrepreneurial qualities had significant influence on the start-up rate.

It may be inferred that possession of entrepreneurial qualities should be an important criterion in selection of individuals for EDPs.

f. Levels of Satisfaction of Trainees about CEDOK

55.55 per cent of the total respondents reported that they were satisfied with the pre-EDP activities of CEDOK 28.63 per cent of the respondents were highly satisfied with pre-EDP activities of CEDOK. The analysis of satisfaction levels of pre-EDP activities and the start-up did not show significant variations 79.10 per cent of highly satisfied respondents were starters. This rate was 76.67 per cent in case of respondents who were neither satisfied nor dissatisfied. Hence, it may be concluded that satisfaction levels of respondents about the institution have not influenced significantly the start-up rate.

Trainees who have started their Enterprises

g. Opinion of Entrepreneurs about the Contact of DRP (CEDOK) After Training

187 respondents out of 234 (79.92 per cent) said they were not contacted after the training. Only 47 respondents (20.08 per cent) reported
that they were contacted. It is clear that the start-up rate in case of those who were contacted by the organization is higher at 80.85 per cent as compared to that of those trainees who were not at all contacted at 76.47 per cent. The percentage of non-starters was highest at 80.02 per cent in case of trainees who were not contacted after the training. It clearly indicates the importance follow up action in increasing the start-up rate.

It is observed that, the intimate contact between the Trainees and Deputy Resource person appointed to DIC by the CEDOK has been highly helpful in starting and managing the units.

h. Views of Trainees about the Benefits of EDP

32.47 per cent of the total respondents have come to know about the government schemes, 33.33 per cent have been able understand about the general management of the enterprise and 34.20 per cent were motivated to start the enterprise. Quite naturally, the benefit of EDP was much higher in case of unit starters. Some other benefits of EDPs reported by the trainees were knowledge of small business function, self awareness, capable of counseling, motivated to be self-employed, assistance in family business, achievement motivation, training helped in personality improvement, etc., these are all other benefits accrued from the EDP along with the above benefits.

i. Advise of the Entrepreneurs to Future Trainees about the Benefits of EDPs

The start-up rate in case of those who advised others to attend EDP before entering into business was high. They observed that one who undergoes training before launching an unit would get benefits in launching units, in general management, in fulfilling legal formalities and in contacting
supporting agencies. Analysis indicated that EDPs seem to be useful in some way or the other to most of the trainees.

**j. Factors Responsible for Success of EDPs other than Training**

For 136 respondents "personal involvement of trainee" was an important factor, out of these, 113 (83.8%) were starters and 23 (16.92%) were non-starters. It may be concluded that the personal involvement of trainee and good institutional support are the factors other than training responsible for success of EDPs. Success or failure depends on a number of other influencing factors apart from training.

**k. Types of Expected Support**

Among the respondents who wanted technical support, 85.71% were unit starters and the remaining 14.29% were non-starters. Out of 83 respondents who expected consultancy support, 67 (80.72%) were non-starters. While 75% of the respondents who wanted single window facility were starters, 71.59% of the respondents who expected financial support were starters, It may be concluded that all the four types of support have influence over the start-up rate.

**m. Time taken to start the Enterprises**

38.67% of the respondents have taken 6 months to 1 year to start their units and 29.28% of the respondents who have started their enterprises, have taken less than 6 months time. This indicates that the follow-up should be strengthened during the first one year of completion of EDP.

**n. Satisfaction Levels**

It is interesting to note that a large percentage of 57.70% of the total respondents reported that they were dissatisfied with the post-EDP activities of CEDOK. 33.76% said it was average. Only 4.27% were satisfied, if
54.71% of the starters were dissatisfied, the per cent of non-starters who were
dissatisfied was 67.94%. Hence, there is a definite need to strengthen post-
EDP activities.

PART - II

Recommendations

Evaluation of EDP is a difficult exercise. In order to carryout a
qualitative analysis of EDP, the opinions of six grass-root level officials
involved in the process of EDP in the study area were obtained through open-
ended but structured interview schedule. The interview focused on the views
various constituent components of EDPs such as selection, training, follow-up
and institution as frame work besides seeking their opinion on the utility of
EDPs. A proper and strategic execution of these activities could greatly enhance
the chances of success of the EDPs. In the light of the findings of the study and
the conclusion drawn, a few suggestions offer themselves for improving the
quality and consequently the performance of the EDP. These need to be given
attention at the planning as well as implementation stages.

1. Timely promotional campaign often results in good local response to
the programme. In a rush to implement EDPs, promotional campaign
are allocated adequate time and resources earmarked for these. At
the pre-training phase publicity needs to be properly planned. Multi-
media publicity must be employed: non-media publicity efforts may
also be employed and communication must also be increased.

2. The most important input in the implementation process is the
trainee. Trainer-motivator (TM) often refer to the poor quality of the
trainees and failure for the EDP. It is because neither good
promotional campaign carried out nor scientifically devised selection
tools used by CEDOK to select with entrepreneurial potential. Very
often the organizer are handicapped by poor response to the EDP and
accept whosoever is available. The trainers are not equipped to
properly administer the selection tools. From the analysis, it is clear from both the sides EDPs would fail.

3. Consider the selection problem, CEDOK should give preference to those candidates who already have some business idea and are capable of providing promoter's equity as per the norms of the funding agency.

4. ED-organisation CEDOK should be prepared to conduct EDPs even with a lesser number of trainees rather than compromise with quality to admit a large number of poor quality trainees where poor result is a foregone conclusion.

5. For proper selection of the trainees, a comprehensive three-tier selection process should implement even in case of a large number of applicants. Selection process consisting of scoring application forms, psychological test, and personal interviews has been evolved.

6. The start-up rate among the graduates in the study is relatively less. It might be due to lack of entrepreneurial education. Education is a strong media that set values, develop attitudes, and create drive in people to move in a professional direction with confidence. The short supply of entrepreneurs is largely because of the absence of entrepreneurship element in the education system. One recalls Gandhiji's dictum "man is the supreme consideration" and education has the prime role of moulding human resources in a particular direction. There is a need to develop a sound conceptual base for evolving the curriculum which can be used in the school system that ensure the emergence of entrepreneurial spirit including values, attitudes etc. In order to achieve this, it may be necessary to "catch them young" at the school stage by introducing entrepreneurial activity package in the school level.

7. As far as the post-training is concerned, the follow-up phase should start immediately after the training phase.

8. Follow-up action by the training institution was grossly inadequate. 79.92 per cent of the respondents reported that they were not contacted after the training. Follow-up action has positive
relationship with the start-up rate. 80.85 per cent of the respondents who were given follow-up support had started the enterprises. The percentage of respondents who started the enterprises without follow-up support was 76.47. A majority of respondents reported that they needed follow-up support immediately after the training.

9. As far as follow-up is concerned, cordial relationship between follow-up and start-up rate depicts the criticality of the follow-up support. The DRP should remain available to the trainees especially at the time of trouble-shooting. Next follow-up and its frequency may be depend on the target group concerned. Personal contact and one-to-one counsel have been found to be very useful in the respect.

10. Entrepreneurial and follow-up meet of the trainees at the district level to be conduct along with senior government officials and officials of financial institution, and banks.

11. Monitoring-cum guidance committees consisting of the key officials of the support system at the local level should be ensured by the DRP.

12. DRP should be charged with the responsibility to maintain documentation about each trainee, it start with join EDP and ends with their settlement.

13. No doubt, trainer-motivator is the backbone of an EDP. It essential for an ED-organisation to have a well committed cadre of TM. A uniform pattern should be evolved on the service condition of the TM associated with the CED. TM should also be given an opportunity to update their knowledge and skills by attending input specific courses, foreign visits etc.

14. The performance of EDP affect the ED-organisation's credibility. The ED-organisation not only should define their vision-mission with respect to EDPs and prepare a long-term plan but also should ensure adequate proficient manpower and other support resources for EDPs.
15. ED-organisation should diversified into new areas like training of existing entrepreneurs, training for TMs and collaboration with NGOs. It should generate more resource to face the new challenges thrown by the new economic environment thereby can treat EDPs as developmental activity rather than commercial.

16. Resource-organisation EDI, NIESBUD, NSIET should carry out policy research and conduct orientation programmes, seminar, workshop to create an environment conducive to entrepreneurship and strive to influence the policy formulation process at the state level.

17. Resource organisation may play an important role is the monitoring and concurrent evaluation of the EDP on a regular basis to help the sponsors.

18. Resource-organisation is in the development of training materials, models, case studies and creation of data bank on new opportunities which may be accessible to the other ED-organistion.

19. Support agencies in EDPs can be hardly be overstated. The officials at the grass-root level namely DIC, State Financial Corporations etc would have to provide adequate information on procedures and formalities to the trainees so that unnecessary delay in documentation is avoided.

20. State government should give direction to the grass-root level government officials of the support system to co-operate with ED-organisation help the trainees as and when required.

21. State government should in principle accept ED as an integral part of their growth strategy by making EDPs a part of their annual plan.

22. All support agencies should appraise the project report of the trainees together and try to help the trainees on the spot.

23. By and large, general EDPs are effective in promoting entrepreneurship in various target group. Target specific EDPs should be used very carefully.
24. EDPs are an effective means for promoting entrepreneurship development through training and hence, government private and voluntary organisations must step into conduct EDPs and promote entrepreneurship.

25. NGOs mainly involved in promoting income generation enterprise should be considered for support to organize EDPs with focus on different target groups. Trainers among NGOs should be well experienced, knowledgeable and sensitive to rural people, their expectation, their strengths and weakness. They should develop personal contact with potential entrepreneurs. Training without motivational component cannot be referred to as entrepreneurial training. In course content, achievement motivation training needs special attention. Follow-up and monitoring need to be systematically organized to keep touch with trained candidates and to guide them in the sustainability and growth of the enterprise.

For conducting EDPs a revised strategy suggested can include.

- Identification of potential micro-enterprises on an area basis and preparation of project profiles.
- Involvement of R and D institutions in the transfer of know-how.
- Periodic monitoring and follow-up stages to counsel trained entrepreneurs.
- Self - Reliance, empowerment, sustainability and growth constitute the key elements of programme covering weaker sections beginnings from Self-Help Groups (SHGs).
- Location-specific and neutral project profiles need to be prepared for NGOs covering Below Poverty Line (BPL), Self-Empowerment and other investment levels. These are needed to supplement project profiles.
The start-up rate is high among the trainees who were in the age group of 25-30 years. Hence, the group should be given preference.

Presence of entrepreneurial qualities in the trainee is more important than the caste or previous work experience. This is clear from the present study. While selecting the persons for training, this point should be kept in view.

The adoption of the above suggestions and recommendations should not be difficult for any organisation. Some difficulty may be experienced initially while attempting to change the organisation climate, as this would take a longer time and requires substantial training, modifications in the organisational structure. Difficulty may be faced in ensuring healthy collaborative effort with other support systems because of other support system do not come under the control of these organisations. The quality of the top management leadership would play a very important role.