

Impact of entrepreneurial training on performance of small and medium enterprises in Union Territory of J&K: A case study of Rajouri district.

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Abstract: Small and medium enterprises have been a focal point of government of India to cater the needs of unemployment in the country. Since it is not possible for the government to provide jobs to ever one. Hence to address the menace of unemployment in the country, it is imperative to provide a healthy environment to the small and medium enterprises sector. The said sector has become a driving engine of the economy of the country in recent years. To promote the sector govt. has initiated various training programmes which are aimed at developing the sector. The present study has been carried out with the same purpose to assess the impact of various training programmes on the performance of the small and medium enterprises in Rajouri district of Jammu division.

Key Words: Micro and small enterprises(MSEs), Entrepreneurship, Training.

Introduction:

There are two approaches which have been ascertained while promoting the entrepreneurial activities in order to fulfill the financial needs of individuals and to cater the economic need of the nation. First one being the short term perspective and second one has long term nature. In the former case, the main purpose is to provide employment to millions of unemployed youths. This approach has gained significance due to decline in the sectors which were once leaders in providing jobs to the millions of people. Long term approach focus on bringing out the desired results in the growth and overall development of the economy of the nation. Entrepreneurial development helps in fostering the economic growth on one hand and development of the local area on the other hand. The programmes help the aspiring entrepreneurs in the long run. They tend to help them in learning various skill sets which are imperative for the success in the long run. Various traits are being imbibed among them which help them to mould their behaviors to be successful in the management of their enterprises. Through these programmes, information is

being disseminated among the entrepreneurs pertaining to various schemes and initiatives being carried out by the concerned govt. to promote the sector.

Research Objectives:

Research has been carried out with the following objectives in mind;

1. To investigate effects of entrepreneurial training on performance of MSEs in study area.
2. To assess the components of entrepreneurship training that are required by MSEs in the area.
3. To find out the modifications required to be carried out in the training programmes.

Hypothesis of the Study:

1. Entrepreneurial training has a positive impact on the performance of MSEs in the study area.

Research Methodology:

Out of total population of 673 units who received training from JKEDI and other agencies between 2010 to 2019, 70 enterprises were taken as a sample size. Simple random sampling technique was followed. Descriptive information was generated to analyze the data collected from the study area. Table no. 1 shows the stratification of three sub sectors

Table 1: Sample size selected from each subsector:

Sub Sector	No. Trained(N)	Sample size(n)
Manufacturers	201	21
Services	141	15
Repairs	135	13
Traders	196	21
Total	673	70

Table 2 Problems faced by entrepreneurs before exposure to training programmes:

Type of Problem	Untrained			
	High	Medium	Low	Total
Marketing	10	40	20	70
Financial	10	56	04	70

Project related	20	40	10	70
Govt. policies	35	25	10	70
Technical	30	25	15	70
Managerial	10	10	50	70

From table 2 , it could be asserted that before training enterprises were facing a lot of problems especially in dealing with finances and marketing aspects. Enterprises were not able to carry out their projects efficiently as they were lacking knowledge pertaining to them. Entrepreneurs were not aware about the policies which have been framed to promote the entrepreneurship development in the union territory of J&K.

Table 3. Problems faced by entrepreneurs after their exposure to training programmes:

Type of problem	Trained Entrepreneurs			
	High	Medium	Low	Total
Marketing	–	20	50	70
Financial	15	35	20	70
Project related	–	15	55	70
Govt. policies	–	12	58	70
Technical	12	42	16	70
Managerial	–	18	52	70

When we compare the data of table 2 and table 3, we can easily analyze that training has a significant impact on the performance of enterprises visa vis the parameters. Training helps the entrepreneurs to augment their potential and achieve competitive edge over the rival enterprises.

Table 4.

Growth Index of trained entrepreneurs in Rajouri district	
Statements	Percentage
Start up Rate	77.5%
Blockage after Start Up	22.5%
Units Survived	55%
Blockage After Survival	17.3%
Growth rate of Survived Units	45.5%
Combined Blockage	39.8%

From the table 4, it could be inferred that due to proper training enterprises have managed better and their rate of survival, growth and start up rate as compared to the untrained enterprises. Besides the combined blockage rate has also come down. Hence training helps in better performance of enterprises.

Table 5. Earnings of trained vs. untrained enterprises

Income level (in Rs.)	Trained		Untrained	
	Frequency	%	Frequency	%
₹ 10,000- ₹ 30,000	–	–	22	43
₹ 31,000- ₹ 50,000	04	05	13	27
₹ 51,000- ₹ 70,000	11	17	10	20
₹ 71,000- ₹ 90,000	35	50	3	05
₹ 91,000- ₹ 1,10,000	8	12	2	05
₹ 1,11,000- ₹ 1,30,000	12	16	–	–
₹ 1,31,000- ₹ 1,50,000				

	70	100%	50	100%
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From the table 5, we can depict that monthly income of trained entrepreneurs has increased vis a vis the training imparted in their enterprises. Whereas the monthly income of untrained entrepreneurs was in the low range. Hence training helps in increased earning to the entrepreneurs. Hence hypothesis stated stands accepted.

Table 6. Performance indicators of trained vs. untrained enterprises

S.No	Performance Indicators	Trained		Untrained	
		Mean	SD	Mean	SD
1.	Business Expansion	3.83	0.95	2.45	0.54
2.	Inventory Mgt.	3.82	0.94	2.31	0.53
3.	Working Capital Mgt.	3.80	0.95	3.50	0.55
4.	Customer Relationship Mgt.	3.80	0.95	2.25	0.54
5.	Competitive Advantage.	3.55	0.82	2.40	0.53
6.	Maintenance of accounts.	4.05	0.96	2.35	0.42
	Overall	3.80	0.93	2.54	0.52

From the above table, it is obvious that overall mean score of trained enterprises is higher (3.8) as compared to the overall mean of untrained enterprises(2.54). this could help us in assuming that performance of trained enterprises is better as compared to untrained enterprises.

Table 7 Correlation between Training and Performance of the enterprises

Correlations			
		P	TE
P	Pearson Correlation	1	.862**
	Sig. (1-tailed)		.000
	N	70	70

TE	Pearson Correlation	.862**	1
	Sig. (1-tailed)	.000	
	N	70	70
** Correlation is significant at the 0.01 level (1-tailed).			
*P= Performance, TE= Trained Entrepreneur.			

When we use the correlation analysis to assess the relation between the two variables, we were able to get the coefficient of multiple correlation as 0.862, which depicts that there is high correlation between training and performance of the enterprises in the study area. Hence it gets proved that training has a positive impact on the performance of enterprises in the study area

RECOMMENDATIONS AND SUGGESTIONS:

1. Awareness about the entrepreneurship development must be imparted among the potential beneficiaries.
2. Agencies involved should be more proactive in identifying the entrepreneurs and motivating the same to take part in training programmes designed by the government.
3. Knowledge about the schemes pertaining to the sector has to be disseminated among the persons involved with enterprises.
4. Far flung areas need to be focused more compared to urban areas.
5. Training programmes need to be updated and upgraded according to the prevailing requirements in the market.

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