



HOW EFFECTIVE IS MANAGEMENT TRAINING FOR MSME ENTREPRENEURS? - PARTICIPANT FEEDBACK AND PRACTITIONER'S REFLECTIONS

Kiran Kumar Goyal

Assistant Director (Industrial Management and Training) Ministry of Micro, Small and Medium Enterprises (MSME), Government of India & PhD Research Scholar, Banasthali Vidyapith.

Abstract

The paper draws on the feedback of 182 participants distributed over 8 management development programmes for the existing entrepreneurs. It reports overwhelming approval of the programme effectiveness by the participants. It reports that to the participants, the resource persons matters the most followed by facilitation by the programme coordinators/ officers and the curriculum design. Besides, the paper delves also into the practitioner's reflections wherein the programme officer notes that considerable improvement is possible in course design, delivery and feedback systems.

Introduction

Effectiveness of any training programme depends upon pre-program planning, in-program coordination and post-program feedback and outcome analysis. In this paper an attempt has been made to analyse the participant feedback and training coordinator's reflections on management training for MSME entrepreneurs.

Context

In micro, small and medium enterprises (MSMEs), entrepreneurial roles are not limited to opportunity perception and venture initiation alone. Rather, invariably, entrepreneurs operate their enterprises as owner-managers too. It is almost a stylised fact and limitation of MSME entrepreneurship that most entrepreneurs are barefoot. Therefore, institutional arrangement for the training of the potential and existing entrepreneurs in the context of the MSMEs has been an integral part of the entrepreneurship development strategy in almost every setting, especially developing country context such as that of India.

In India, various training programmes are organised for promoting MSMEs by Ministry of Micro, Small & Medium Enterprises (MSME) through its field offices, MSME Development Institutes. These programmes are targeted at the first generation potential entrepreneurs, existing entrepreneurs, industrial workers and managers. The MSME sector is the cynosure of economic policy making here as it provides increased employment through labour-intensive process; requires lower gestation period; is easy to set up in rural and backward areas; needs small/local market; create a decentralized and more inclusive and equitable pattern of ownership of economic assets; fosters development at the grassroots and influences the standard of living of local people and communities (Poornima M. Charantimath, 2006).

Historically, the institutional arrangement for the MSME entrepreneurship development may be traced to the recommendations of the Ford Foundation that, inter alia, provided for setting up of the institutions for industrial and extension training and assistance in marketing of the MSME products. In the meanwhile, training programmes for the existing entrepreneurs started focusing on developing entrepreneurial competencies in marketing and lately exports in sync with the evolving policy of development via export promotion.

Drawing attention to the imperative of marketing- domestic as well as exports, the Action Plan for the development of the MSMEs has noted that marketing is one of the critical areas where MSMEs face problems. In the global arena, they do not have the strategic tools and the means for their business development, unlike the large enterprises. Constant changes in the market dynamics due to technological changes and globalization have had a profound impact on the competitiveness of the MSMEs. The plan underlined the necessity of harmonization and rationalization of the existing schemes and training modalities to facilitate the entrepreneurs in this regard.

Programmes of the Ministry of MSME

As noted earlier, In India, various training programmes for improving the techno-managerial skills are organised by Ministry of Micro, Small & medium Enterprises through its field offices and MSME Development Institutes. Different types of training programmes conducted for entrepreneurship development and promotion are Industrial Motivation Campaign (IMC), Entrepreneurship Development Programme (EDP), Entrepreneurship cum Skill Development Programme (ESDP) and Management Development Programme (MDP).

One day IMC is organized to identify and motivate potential entrepreneurs for setting up MSEs. Broadly in such campaign the information is disseminated related to various promotional policies and schemes of both Central and State Governments to set up an MSE and the doubts raised by the participants are cleared by the concerned officers. An EDP is of 60 hours training programme targeted for the group of 20-25 persons who possess some technical skill to enthruse them to set up an SME. During the training they are provided useful information about the various policies and schemes, product/process design, quality control, marketing, finance, cash flow, project report, field visit to some MSME and opportunity to interact with successful entrepreneur etc. An ESDP is of 180 hours comprehensive training programme targeted for the group of 20-25 persons basic objective of providing training for their skill up gradation and to equip them with better and improved technological skills of production to set up an enterprise. Out of this 120 hours training is for acquiring and upgrading the skill while 60 hours training is similar to EDP.

An MDP is of 30 hours of training programme with a target group of 20 – 25 persons. For providing sustenance to MSMEs and to make such units a viable entity, the training programmes for practicing entrepreneurs and the senior employees working in MSMEs are organised throughout the year. Under this category, short duration programmes (total 30 hours, spread over 5 or 10 working days) are offered so as to build in-depth knowledge and acquire working skills in critical functional areas of management of the enterprises. These programmes are called as Management Development Programmes (MDPs). The basic objective of imparting training in management subjects is to improve the MSMEs in the decision-making and in enhancing productivity/profitability. The focus of the present study is on MDPs in the domains of marketing and export management.

Course Structure

The Overview of the Scope of these Courses is Provided Hereunder

Marketing Management: Modern Concepts of Marketing Management, Marketing Research – Consumer Behaviour Sales Forecasting, Segmentation, Targeting & Positioning, Pricing Decisions, New Product Development & Launching, Sales Force Management, Marketing of Services, Government Assistance in Marketing, Advertising & Sales Promotion Techniques, Creative Selling with Case Studies, Preparing for Exports, Marketing Strategies, Integrated Marketing Communications.

Export Management: Fundamentals of International Business, Starting Exports - Steps & Procedures, Institutional Set up for Export Promotion, International Trade Correspondence, Identifying Business Opportunities, Foreign Trade Policy & FEMA, International Commercial Terms (INCOTERMS), Common Terms of Payments in International Business, Pricing for Export, Export Documentation, Export Finance, Export Credit Guarantee Corporation's Policies for SME exporters, Custom Clearance & Port Formalities, Processing of an Export Order.

It may be seen that the courses provide for a comprehensive coverage of the areas of concern in the domains of marketing and export management and compare well with specialised certificate/ diploma courses in these areas. However, from design to deliver the effectiveness of a course depends on the expertise of the resource persons, zeal and deftness of the organising officers and the transaction of the curriculum on the floor of the training room. Ultimately the programme has to be found useful by the course participants whose feedback is likely to trigger further iterations in curriculum development, course material, pedagogy and transaction strategies. It is here that the present study derives its self-justifying rationale. That the author has been personally involved in the organisation of these programmes as a training officer lends further credence to its rationale and the resultant implications.

Accordingly, the study potentially contributes to the understanding of the effectiveness of entrepreneurship training programmes with obvious policy implications. Even though, exploratory in nature, the study might facilitate the development of indexation methodologies for programme evaluation and contribute towards the development of theory of entrepreneurship training. The findings of the study are likely to be of pragmatic use for making the programmes more effective. As such the study's contribution may be seen as touching the trajectories of practical, theoretical and political imperatives of entrepreneurship development.

Method

Sample of the study comprises eight training programmes (MDPs), four each on Marketing Management and Export Management. We rely on participant feedback and practitioner's [programme officer's] reflections on the MDPs. Our sample comprises 182 participants (See Table 1 for descriptive statistics). End-of-the programme feedback of the participants was obtained through a questionnaire designed for the purpose (The questionnaire is available on request). It would be pertinent to mention here that the course participants were drawn through advertisements in leading newspapers and were offered programme seats on first-come-first-served basis.

Table- 1 Descriptive Statistics

	Number	Percentage
Program focus		
Marketing Management	80	44.0
Export Management	102	56.0
Participant's socio-economic background		
General	127	69.8
Minority	26	14.3
OBC	14	7.7
SC	14	7.7
ST	1	0.5
Participant's status		
Entrepreneur	112	61.5
Entrepreneur's Nominee	70	38.5
Participant's age at the time of joining the programme		
Young (Less than or 25 yr.)	59	32.4
Middle (26 to 45 yr.)	101	55.4
Senior (more than 45 yr.)	22	12.1
Participant's Gender		
Male	158	86.8
Female	24	13.2
Participant's qualification		
Less than Class XII	18	9.9
Technical diploma	13	7.1
Graduate	86	47.3
Graduate Professional	20	11.0
Post graduate	45	24.7

Source: Primary data.

Notes:

1. General candidates imply those belonging to mainstream socio-economic classes, including business communities.
2. Post graduates include post graduate professionals too

Findings

In this section we examine participant feedback as well as practitioner's reflections.

Participant Feedback

Participant feedback is an important and immediate factor in program effectiveness. Therefore, at the end of each programme, the participants are provided with a self-administered feedback form eliciting their responses to the various facets of the training programme.

Overall Satisfaction: More than a third (34.1%) of the participants were of the view that the programme they attended was highly beneficial while another two-third (65.9 percent) said that it was beneficial. None of the participants said that it was not beneficial.

We also sought to verify from the participants if they found the programme worth the time and money spent.

Table 2: Proportional distribution of the participants with regard to overall satisfaction

Extent of satisfaction	Overall	Time's worth	Money's worth
Highly beneficial	34.1	79.1	83.5
Moderately beneficial	65.9	19.2	15.9
Not beneficial	0.0	1.6	0.5

Source: Primary data.

Factors in program usefulness: The participants provided feedback also on the factors in program usefulness (See, Table 3). On the basis of their feedback it may be seen that the resource persons mattered the most followed by facilitation by the programme coordinators and the curriculum design.

Table 3: Proportional distribution of participants with regard to satisfaction with the individual factors

Extent of satisfaction	Factor 1	Factor 2	Factor 3	Factor 4	Factor 5
	Curriculum	Reading material	Resource persons	Opportunity for networking	Facilitation
1	76.9	72.5	89.0	43.4	77.5
2	22.5	24.7	9.3	56.0	22.5
3	0.5	2.7	1.6	0.5	0.0
Weighted Sum	276.2	269.2	287.2	243.2	277.5
Ranks	3	4	1	5	2

Notes: 1=Highly beneficial; 2=Moderately beneficial; 3=Not beneficial

Source: Primary data..

Practitioner's Reflections

Near absence of the negative feedback in the foregoing analysis is due to the fact that the participants were self-motivated and had taken the trouble of responding to the advertisement, had planned time-off for training and there was a prima facie justification of the courses they attended in as much as the programmes catered to the felt need. They were the entrepreneurs themselves in over 60% of the cases and entrepreneur's nominees in the remaining cases.

Faculty and programme officers play a critical role in ensuring the perceived effectiveness of the training. It is author's personal experience that personal motivation and exertion of time and energy pays-off tremendously in terms of the programme effectiveness.

These programmes can be excellent forums for networking among the entrepreneurs. That such an opportunity should rank the lowest in their perception could possibly be due to the ways these programmes are structured and delivered. It is the author's view that we should follow a constructivist's approach to learning wherein the course



participants have enough latitude in constructing their own learning and developing lasting networks. Networked entrepreneurs are certainly more effective than “net worth” entrepreneurs.

The structured approach to training partly reflects the training context as SME entrepreneurs often “don’t know - what they don’t know” and their absorptive capacity too is poor. However, given that a vast majority of the entrepreneurs of the study are graduates and above should provide the programme officers and faculty with enough leverage in building on their strengths. This brings us to another aspect of the pedagogy followed in the programmes.

It is the author’s learned belief that such trainings can be more effective if small case studies related to MSMEs are included. The participants should be encouraged to share their own experiences/problems and benefit from the group learning. Training should conclude with an action plan prepared by each participant for his/her own use based on the learning during the training.

The author is also of learned belief that there must be an effective screening process of the applicants with a view to attaining a better fit between entrepreneurs’ needs and the content of the training programmes.

Participant feedback is of vital importance to designing effective programmes. It is author’s experience that the feedback is not adequately fed back into course redesign, development of course material, choice of faculty, training pedagogy, etc. Substantial amount of public money is spent on these programmes. Hence, there has to be an effective way of their evaluation and continuous improvement. In fact, the feedback form itself needs to be scientifically designed and developed.

Conclusion

The MSME entrepreneurs need to constantly upgrade their knowledge about their business activities, the competition, opportunities available in India and abroad, and formulate strategies to increase sales and profitability.

Management training helps in increasing productivity, effectiveness and efficiency in operations. Overlooking such training can seriously hamper the growth and prosperity of an SME. With the knowledge acquired in these trainings, an entrepreneur or employee will deal more successfully with the challenges of the new business environment. Such training is seen as a vital factor in realizing and sustaining organizational success for improved efficiency and innovation. Today, knowledge is the primary source of competitive advantage and the key to success for organizations in the knowledge economy.

Such training programmes provide opportunity to existing entrepreneurs to learn and understand new things and concepts while running their businesses so that they can be capable to tackle the issues and problems related to business and industry.

However, an analysis of the feedback of the participants in eight such programmes and the reflections of the author who has been the programme officer for such programmes leads to the following roadmap for their effectiveness.

- Identify and model the needs of SMEs at all stages of their development.
- Develop suitable training and materials and programmes capable of thorough dissemination.
- Continuously improve the pedagogy with a view to facilitating self-learning, peer-to-peer learning and networking.
- Develop standards of competency for trainers and faculty and ensure that, based upon these standards, there is also provision for the training of trainers and counsellors.



- Provide for scientific evaluation of the programmes and utilisation of the feedback for programme improvement.

Acknowledgement

The author is grateful to his research supervisors Professor S. P. Mishra and Dr. Anand Saxena for their guidance.

References

Bibliography

1. Charantimath Poornima M. (2009), Entrepreneurship Development and Small Business Enterprise, Pearson Education India.
2. Draft Strategic Action Plan of Ministry of Micro, Small and Medium Enterprises retrieved from <http://msme.gov.in/Draft-Strategic-Action-Plan-of-Ministry.pdf>.
3. www.dcmsme.gov.in.
4. Kaushik R., Kaushik U., and Goyal K. K. – Entrepreneurship Successfully Launching New Ventures (2011), Aavishkar Publishers, ISBN-978-81-7910-367-8.
5. Kaushik R., Kaushik U., and Goyal K. K. – Women Entrepreneur (2012), Aavishkar Publishers, ISBN-978-81-7910-372-2.