

Entrepreneurial Training Needs and its Relationship with Training Duration

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Abstract:

India is on the path of self reliance by launching “Make in India” project and other projects and instill the enterprising spirit in its people. In microfinance programmes also consistent emphasis is on providing financial services with training to assist microfinance clients to become micro entrepreneur. Training provided to these micro entrepreneurs involves different time period i.e. training duration. And the core objective of this research is to study relationship between training needs and training duration. This research is located in Malwa region of Madhya Pradesh (MP). The methodology used for this research is combination of qualitative and quantitative methods and data is collected by using structured questionnaire through conducting focus group interview of 722 micro entrepreneurs of Malwa region of Madhya Pradesh. We used various statistical tools namely descriptive statistic, ANOVA and multi comparison for interpretation of results. The findings of this research paper reveal that there is significant difference among different training durations’ ranges from one day to above 30 days and training needs i.e. business skill and personal skills. It further uncover that training duration of above 30 days is more suitable as per the perspectives of micro entrepreneurs in learning some aspect of personal skills. For policy makers it is clearly visible that to enhance the effectiveness of training, considerable modification are required in training module with special reference to training duration. For prospective researchers the implication is to conduct research in contents of training modules for micro entrepreneurs funded by micro finance. To conclude, this paper is exclusive in many respects as it is identifying the training duration suitable for micro entrepreneurs.

Key words: Training duration, Training Needs, Micro finance, Micro entrepreneurs, MFI.

I. Introduction

Microfinance by becoming means of entrepreneurship development reduces poverty at macro level (Miled & Rejeb, 2015) by providing diverse financial services with training. Microfinance as defined by Nabard- “microfinance as provision of thrift, credit and other financial services and products of very small amounts to the poor in rural, semi urban and urban provided to customers to meet their financial need with only qualification that transaction value is small and customers are poor.” In India Microfinance programmes are

run by mainstream financial institutions like commercial banks, regional rural banks, cooperative banks and small finance banks along with their commercial banking business and are known as formal banks. Whereas Microfinance programmes are run by alternative financial institutions like MFI (Micro finance institutions) registered as society, trust, multistate cooperative society, or company etc. and microfinance is their primary business. In this research paper all microfinance providers are collectively called as 'funding institution'. All these microfinance providers provide microfinance through various credit delivery mechanisms like self help group bank linkage programme, joint liability group lending model, Grameen lending model etc., they are group based lending models. In addition to that individual lending model is also highly prevalent. In Microfinance programmes the micro loans are provided in small doses together with training to under privileged population who have limited resources but they are able to embark on economic activities and can start their micro enterprise. But it is equally vital that these poor people turned micro entrepreneur possess require entrepreneurial skills. And it is proven fact that entrepreneurial skills can be nurtured with appropriate training programmes (World Bank, 2012).

Training is imperative in microfinance because it has multi dimensional effect on micro entrepreneur, micro enterprise and funding institution. Training has positive effect on repayment of loans, profits, sales volume; business knowledge and significant decrease in variation in income (Frisancho et al.). Accessibility of microfinance services is feasible only when client complete the compulsory group based training programme which includes some part financial literacy, information on micro enterprise, skill based training like stitching, embroidery etc. These diverse type training has varied training duration. In Malwa region the training duration of microfinance programme is of three categories in first category training is provided for 1-15 days, second category is 15-30 days and last category is above 30 days. Although training is provided but failure rate of micro enterprises is very high in Malwa region (Chouksey & Karmarkar, 2017). And there was a research lacuna in Malwa region regarding training need and suitable training duration as per the perspective of micro entrepreneurs who commenced their micro enterprises after getting microfinance. With this intention this research is conducted to study the relationship between training need and training duration. This research is advance version. In our previous research after conducting factor analysis the

training needs are identified namely- Business skills & Personal skills were identified as per the perspective of micro entrepreneurs, which high light that these two skills are the need of micro entrepreneurs and learning these skills will contribute in systematic running of their business and help in arresting the high failure rate of micro enterprises (Chouksey, 2018).

The organisation of the paper is as follows. In Section II we discuss the literature review in which we discuss the training needs, training duration and other aspects of training. Section III describes combination of research method used in this research. Section IV presents the result and elaborates the discussion of relationship between training needs and training duration. Section V provides concluding remark of key observation and last Section VI is reference section.

Profile of Malwa Region: Malwa region is located in western part of MP and as per MP government it encompasses ten districts namely Shajapur; Agar Malwa; Ujjain; Indore; Dewas; Barwani; Dhar; Ratlam; Neemuch and Mandsaur. The population of Malwa region is 15533178 and growth rate of population is higher than all India growth rate. And maximum population is in age group of working population and engaged in agriculture sector which is very unpredictable in terms of revenue generation because it is monsoon dependent. Poverty rate is also very high in all districts especially in Dhar and Barwani district. And microfinance services with training are the best way of generating employment and poverty mitigation.

II. Literature Review

Accessibility of financial services raises numerous opportunities of money making and it is recognised as effective way of entrepreneurship promotion. And entrepreneurship is recognised as means of attaining consistent income and raise in profits for deprived class (Karlan & Valdivia, 2011). However the issue is that whether entrepreneurial skills, attitude and knowledge can be imparted. While there are many researches which designate that some aspects of entrepreneurship can be taught (Kuratko, 2005). By means of appropriate training, the required skills and mind set of trainee, can be trained to be a successful entrepreneur. Gradually through training there is methodical advancement of knowledge, skills and attitude which is essential for performance of task (Armstrong, 2006). That's why microfinance services are clubbed with training which facilitate unprivileged population in commencing micro enterprise for self employment.

Content of training provided in microfinance programme generally consist of some part of business training and financial literacy. The core purpose of providing business training is to inculcate entrepreneurial skills and qualities to improve their way of doing business (Roomi et al., 2009). (Frisancho et al.) On a experiment basis they provided training to microfinance clients in every weekly meeting for one to two year and the result was that training brought considerable positive change in profit and sales of micro enterprises. Whereas when experts provide training to microfinance clients then there is substantial positive impact on assets (Swain & Varghese, 2010). In further impact study of training on performance of micro & small enterprises (Kessy & Temu, 2010) indicated that microfinance clients who attended training had more assets and return for sales in comparison of clients who didn't attended the training. And it is identified that the key inputs for success of micro enterprises are business skills and adequate funding support (Gebru, 2009). But meta analysis of (Mckenzie & Woodruff, 2012) make it evident that there is very moderate effect of training on sustainability of firms though some noteworthy effect on sales. Additionally the microfinance clients after training demonstrate the up gradation in business processes , Knowledge and better sales (Dean & Martin, 2006). In other research (Agha et al.,2004) business skill training of five days with loan was provided to self employed mid wives and findings shows that training has positive effect on clients perception of quality and enhance repayment rates and loyalty towards MFI. It shows that though training is of few days but it has positive influence on the performance. The important qualification of training is that it should be suitable and serve the purpose. And it is sure that appropriate entrepreneurial training leads to profitable performance of micro enterprises (Tambwe, 2015).

It is unfortunate that there is very less research demonstrating the relationship of training and time period required to complete it i.e. training duration. Determining suitable training duration is vital for the achievement of training objectives and it will help micro entrepreneurs to reap the benefits of training. With this objective in mind we conducted this research but in absence of suitable similar type of studies based on Malwa region it is not possible to compare it with such studies.

Objective of the study

- To Study the relationship if any, between “Training Needs” and “Training Duration”

iii. Research Methodology

Combination of qualitative and quantitative research methods were used to study the relationship between training needs and training duration. Primary and secondary data both were collected for the study. Multi stage proportionate sampling was used because population is composed of several sub groups i.e. clients of SHG model, JLG model, Individual lending model and others. Sample size is determined with the help of calculator of creative research system software we took total number of clients of SHGs of Malwa region, confidence level of 95 percent and confidence interval of 04 and the result was 480 clients but we collected data through structured questionnaire with some open ended questions by conducting focus group interview from 500 clients of 100 SHG and in absence of baseline data of JLG and individual lending model. Data was collected from 160 clients of JLG model and 62 clients of individual lending model of Malwa region. Structured questionnaire gather information such as Infrastructure profile, micro enterprise / business profile, Group members details, social profile, type of training, duration of training and other details etc.

Categorical Variables in the Study:-

- **Training duration:** Training duration means time required to complete the training offered by specific funding institution and it is classified as of different duration namely 1-15 days, 15-30 days and above 30 days.

Variable Measured on Interval Scale

- **Training needs:** Training needs identified and classify as business skills and personal skills which are identified from the micro entrepreneur's perspective (Chouksey, 2018).

The measurement of these variables was done on 5 point likert scale - "Strongly Disagree", "Disagree", "Neither Agree Nor Disagree", "Agree", "Strongly Agree."

Statistical tool used for data analysis: Analysis of variance test (ANOVA) is applied to analyse the relationship between the Training duration with the training needs i.e. business skills and personal skills extracted in factor analysis. Beside that descriptive and multi comparison test were conducted to get in-depth understanding of all variable and their interrelation.

Secondary data was collected from various sources like World Bank, Nabard, Panchayat office, Regional offices/head office of Commercial Banks, Regional Rural banks and Cooperative banks, head offices of societies & trusts, Rural Development Department, Directorate of Institutional Finance (MP), Lead Banks, DPIP, and MPRLP. Moreover secondary data is collected from various reports published by RBI, Nabard, State Government, State level Banker's Committee, Private Agencies, International Agencies, Journals, Books, Articles of News Paper, Websites, Conferences, Seminars and Magazines etc. For study, both quantitative and qualitative data was collected for study.

1.6. Result and discussion

In present scenario the most vital requirement is generation of employment and source of consistent income for deprived class. Massive job generation is feasible through development of micro enterprises but the key issue is high failure rate of micro enterprises which defeat the objective of job generation. And this problem can be arrested by providing methodical training with suitable training duration. The data analysis demonstrates the appropriate training duration required to learn specific skill. (Chouksey, 2018) In our previous research we identified training need after conducting factor analysis- firstly is Business skills which comprises following skills namely bookkeeping and accounting, marketing skills, maintaining of Customers, Technical skills, what type of business (opportunity identification) and how to start a business. Next training need identified is Personal skill which encompasses following skills namely attendance at training, how to enhance performance, basic management skills, training of using loan & financial discipline.

	N	Minimum	Maximum	Mean	Std. Deviation
Business Skills	199	7.00	28.00	13.5930	3.48448
Personal Skills	199	4.00	53.00	11.9950	4.35252
Valid N (listwise)	198				

Analysis of variance test is applied to the Training duration with the training needs. The Training duration is measured on the basis of duration of 1-15 days, 15-30 days and above 30 days. The objective of study is as follows:

- To Study the relationship if any, between “Training Needs” and “Training Duration”

Table II: ANOVA results of Training duration & Training needs

		Sum of Squares	df	Mean Square	F	Sig.
Business Skills	Between Groups	61.920	2	30.960	2.591	0.078*
	Within Groups	2342.110	196	11.950		
	Total	2404.030	198			
Personal Skills	Between Groups	189.231	2	94.615	5.207	0.006*
	Within Groups	3561.764	196	18.172		
	Total	3750.995	198			

*. The mean difference is significant at the 0.05 level

Groups are based on Training duration. Result is significant for both variables that are business skills and personal skills.

- The key interpretive element of interest in the ANOVA table is that, based on a $P=0.078$, a marginal significant difference (or differences) exists within comparisons of Business skills among the three groups based on Training duration.
- The ANOVA result for among the groups based on Training duration with in comparison of Personal Skills reveals that the between group mean square (the variation explain by the model) is 94.615 ($189.231/2$) and within group mean square 18.172 ($3561.764/196$). The F ratio is 5.207 ($94.615/18.172$) and $P= 0.006$ indicate that the differences in the mean scores of the three groups are statistically significant. It is observed that micro entrepreneurs gives importance to such skills namely how to enhance performance, basic management skills, training of using loan & financial discipline and wish to learn them and demands more time to be contributed by funding institutions in training module for imparting knowledge of above mentioned skills, which these micro entrepreneurs feel can contribute in the success of their micro enterprises.

Table III: Multiple Comparisons

LSD							
Dependent Variable	(I) How many days of Training attended	(J) How many days of Training attended	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
						Lower Bound	Upper Bound
Business Skills	1-15 days	15-30 days	-.66437	.93757	.479	-2.5134	1.1847
		above 30 days	-1.39770*	.62355	.026	-2.6274	-.1680
	15-30 days	1-15 days	.66437	.93757	.479	-1.1847	2.5134
		above 30 days	-.73333	1.05025	.486	-2.8046	1.3379
	above 30 days	1-15 days	1.39770*	.62355	.026	.1680	2.6274

		15-30 days	.73333	1.05025	.486	-1.3379	2.8046
Personal Skills	1-15 days	15-30 days	-2.13333	1.15621	.067	-4.4135	.1469
		above 30 days	-2.21538*	.76895	.004	-3.7319	-.6989
	15-30 days	1-15 days	2.13333	1.15621	.067	-.1469	4.4135
		above 30 days	-.08205	1.29516	.950	-2.6363	2.4722
	above 30 days	1-15 days	2.21538*	.76895	.004	.6989	3.7319
		15-30 days	.08205	1.29516	.950	-2.4722	2.6363
*. The mean difference is significant at the 0.05 level.							

Table IV: Descriptive Statistics

How many days of Training attended		N	Minimum	Maximum	Mean	Std. Deviation
1-15 days	Business Skills	145	7	28	13.269	3.37321
	Personal Skills	145	4	53	11.4	4.80798
15-30 days	Business Skills	15	9	19	13.9333	2.89005
	Personal Skills	15	8	17	13.5333	2.32584
above 30 days	Business Skills	39	7	25	14.6667	3.9292
	Personal Skills	39	7	18	13.6154	2.03412

The Multiple comparison & descriptive statistics tables will further uncover the interrelation of training duration and training need for in depth understanding:

- The Multiple comparison & descriptive statistics tables- III & IV reveals that there is significant difference observed in training duration of 1-15 days & above 30 days. The higher mean shows that group prefer training duration of above 30 days (M=14.6) for learning business skills in comparison of training duration of 15-30 days (M=13.9) and 0-15 days (M=13.2) shows the significant difference.
- The Multiple comparison & descriptive statistics tables- III & IV reveal that there is significant difference observed in all the three groups. The higher mean of group prefer training above 30 days (M=13.6) for learning personal skills & 15-30 days (M=13.5) in comparison of training duration of 1-15 days (M=11.4) shows the significant difference.

The ANOVA results indicate that the groups based on training duration significantly differed with regard to training needs i.e. business skills and personal skills. And showed that in case of learning, business skill and personal skills, micro entrepreneurs prefer training duration above 30 days.

Ϛ. Conclusion

Success rate of micro enterprises is essential for job creation and it is vital to give due attention on deciding the time period of training i.e. training duration. The data analysis reveal as per micro entrepreneurs perspective that training duration of above 30 days is required to cultivate the skills of enhancing performance of micro enterprise, basic management skills, training of using loan & financial discipline etc. Additionally multiple comparison & descriptive statistics validate that for learning of business and personal skills, the training duration of above 30 days is more appropriate. For policy makers it is clearly visible that to enhance the effectiveness of training, considerable modification are required in training module with special reference to training duration. For prospective researchers the implication is to explore the contents of training modules for micro entrepreneurs funded by micro finance. To conclude this paper is exclusive in many respects because first time it is identifying the training duration suitable for micro entrepreneurs of Malwa region.

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