



Fostering Growth: Analysing Training and Development Practices in Social Enterprises of Mumbai and Pune Region

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Abstract: Social enterprises are powerful drivers of social change, employing entrepreneurial strategies to address pressing societal challenges. Operating at the intersection of business and social impact, these organizations prioritize societal change over profitability, requiring employees to possess unique skill sets. At the core of their mission are "change agents"—their employees tasked with implementing sustainable solutions through community engagement, social impact measurement, and sustainable development. Despite the critical role of training in preparing employees for these challenges, there is limited research on how social enterprises design training programs that align with their dual-purpose missions. Resource constraints often hinder the development of comprehensive training frameworks, leaving gaps in equipping employees with the necessary skills to achieve social objectives.

This research paper examines the initiatives social enterprises take to develop employee skills that drive social impact. It identifies gaps in current training frameworks and proposes strategies to enhance capacity building and employee empowerment. The study aims to provide actionable insights to strengthen training and development as a catalyst for sustainable growth and social innovation. For the study, the researcher surveyed employees working in social enterprises in Mumbai and the Pune Metropolitan Region, gathering insights from 800 respondents. The study revealed that while these enterprises conduct regular Orientation programs for all new entrants, not many organizations strategize their training programs and invest in skilling and reskilling their employees for better productivity.

The findings of the study highlight the importance of fostering a positive learning environment that prioritizes employee growth not only for enhancing individual performance but also for ensuring the overall success and long-term sustainability of the organization.

Keywords: Training and Development, capacity building, social enterprises, productivity, skilling, reskilling.

I. INTRODUCTION

In today's rapidly evolving business landscape, shaped by technology, globalization, and continuous innovation, organizations must adapt to the dynamic needs of the workforce and cultivate a value-driven culture (Burhan Ismael et al., 2021). Social enterprises (SEs) have emerged as critical players in driving inclusive growth and development. They address critical social and environmental challenges and have pioneered innovative solutions to tackle these challenges, including climate change and widening social inequalities (Budi Priatna et al., 2021). However, the pursuit of social and environmental value can clash with the commercial market's focus on financial returns, creating inherent tensions and challenges for these organizations. Social enterprises must navigate these complexities of aligning social and economic objectives, necessitating additional capabilities beyond those required for commercial entrepreneurship. These include identifying and exploiting opportunities that balance financial viability with social impact, managing conflicting logic, building strong community connections, and engaging a wide range of stakeholders to mobilize resources and enhance impact (Estrin et al., 2016). This necessitates unique skill sets by employees of social enterprises as they need to balance strategic thinking with empathy, manage diverse stakeholder expectations, and adapt to evolving challenges. Developing these multifaceted capabilities requires ongoing training, exposure to interdisciplinary approaches, and a strong commitment to both professional and personal growth.

Training is a critical element of organizational and employee development, driving growth, productivity, and overall success (Khosla et al., 2014). Research underscores the importance of training in addressing key issues such as efficiency and productivity. Well-designed training programs not only improve working conditions and performance but also enhance job

satisfaction, employee motivation, and inclusive growth (Jehanzeb & Bashir, 2013). Effective training and development practices nurture the skills, knowledge, and mindsets of the workforce, enabling them to deliver sustainable impact (Nduka-Ozo, 2017). Organizations that prioritize comprehensive training initiatives boost employee motivation, as these are key drivers of productivity and effectiveness (Haryono et al., 2020). The training programs in social enterprises typically prioritize developing skills that are critical to achieving the social mission while ensuring financial viability. Some of the key programs include:

1. **Business Model Design:** Designing a sustainable business model that effectively integrates social impact objectives with financial viability, ensuring long-term success.
2. **Financial Management:** Managing finance responsibly through strategic budgeting, transparent fundraising, and comprehensive performance reporting to stakeholders.
3. **Community Engagement:** Cultivating meaningful relationships with target communities, identifying their needs, and co-creating programs that deliver impactful solutions.
4. **Marketing and Communications:** Effectively communicating the enterprise's social mission and measurable impact to engage customers, attract partners, and inspire donor support.
5. **Leadership and Ethics:** Promoting ethical leadership practices that uphold and align with the enterprise's core social mission and values.
6. **Sustainable Practices:** Embedding environmentally sustainable practices into operations to enhance ecological responsibility and resilience.
7. **Impact Measurement:** Developing competency in measuring and evaluating the social impact of projects and programs, including data collection and analysis techniques.

Despite its proven significance, training is often undervalued, with organizations showing a lack of genuine commitment to workforce development. Short-sighted concerns, such as the perceived loss of manhours during training sessions, frequently overshadow the long-term benefits of building a skilled and motivated workforce. This narrow focus overlooks training's potential to enhance performance delivery, organizational competitiveness and foster sustainable growth.

II. LITERATURE REVIEW

(Napitupulu & Dananjaya, 2024) in their study, emphasize the role of skilling and reskilling in the era of digitization. The paper underscores the need for effective training programs to build knowledge and skills in areas like sustainable business practices, lifecycle management, and stakeholder collaboration. Identifying and bridging gaps in skills and competencies is crucial for talent management and organizations must foster a culture of continuous learning and knowledge sharing to support employees in adapting to evolving requirements. Training and development provide opportunities to overcome these challenges by enabling organizations to adopt innovative sustainable practices. They highlight the need for strategic investment in workforce training to unlock the potential of employees, emphasizing the role of learning and development in creating a sustainable and adaptable workforce.

(Susano Adhi et al., 2023) emphasize the crucial role of HR development programs in enhancing organizational productivity. Aligning employee capabilities with business objectives fosters innovation and improves operational efficiency. Capacity-building training programs, as a strategic tool, lead to improved individual performance through professional development, and leadership initiatives. The study focuses on the importance of continuous learning to thrive in dynamic business environments of technological advancements. Resource constraints, lack of alignment between training programs and business goals, and limited employee engagement are challenges that need to be overcome by adopting a holistic approach to driving sustainable growth by building a culture of learning. Strategic HR initiatives through capacity building and integration of technology are vital to remain in the ever-evolving competitive landscape.

(Li, 2022) examines the need for reskilling and upskilling the workforce in this age of digital transformation to enable adapting to the industry demands. Advancements in technology, big data, and artificial intelligence are reshaping job roles and there is a shift in how things work. With jobs being obsolete, it is important to identify the key skills for the future workforce. Analytical thinking, innovation, active learning, and adaptability are the need of the hour. Organizational strategies in fostering skill development through employer-sponsored training programs, non-traditional certifications, technological integration, and partnerships between educational institutions and industries could be a blueprint for creating collaborative ecosystems to drive workforce transformation.

(Raimi, 2021) discusses the human capital development strategies—reinventing, retooling, and reskilling (3Rs)—as crucial measures to stimulate the economy, preserve jobs, and ensure business continuity. The study highlights the need for employers to prioritize investing in human capital to close skill gaps and foster employee resilience by conducting skills inventory, investing in training, and updating employees' competencies to meet emerging labor market demands. Embracing self-development, career reinvention, and continuous learning by employees would enhance employability and adaptability. Reinventing, retooling, and reskilling are essential strategies for saving jobs, stimulating the economy, and fostering workforce resilience in the face of unprecedented challenges. It emphasizes the need for tripartite collaboration among governments, employers, and employees to create a sustainable workforce adaptable to post-pandemic realities.

(Nguyen & Duong, 2020) in their study examine the relationship between training and development (T&D), job satisfaction, and job performance. Terming T&D as a critical factor in enhancing employee loyalty, offering opportunities for skill development, career growth and increased job satisfaction, the study indicates that employees who perceive robust T&D initiatives tend to exhibit a higher commitment to their organization. Job satisfaction is identified as another key driver in retaining employees. Also, high performers exhibit reduced stress and a strong sense of achievement which fosters loyalty. The study emphasizes the strategic alignment of T&D programs with employee needs by implementing structured training frameworks and career development opportunities to retain the young workforce.

III. RESEARCH OBJECTIVES

1. To analyze the current training and development practices utilized by social enterprises in the Mumbai and Pune regions.
2. To evaluate the effectiveness of these practices in improving the skills, knowledge, and overall capabilities of the workforce within these enterprises.
3. To identify and recommend innovative and successful approaches to designing and implementing impactful training and development programs tailored to the needs of the social enterprise sector.

IV. HYPOTHESIS

H₀₁: Training and development are not significant challenges in social enterprises of Mumbai and Pune region.

H₀₂: Training and development programs in social enterprises do not significantly impact employee performance delivery.

V. RESEARCH METHODOLOGY

A descriptive research design was employed to explore the training and development practices of social enterprises in the Mumbai and Pune regions. Primary data was collected using a stratified random sampling technique, with a structured questionnaire administered to 800 employees (400 from each region). Secondary data sources, including journals, articles, books, and periodicals, were used to contextualize the findings within the broader literature. The data was analyzed using the Chi-Square test to evaluate the hypotheses. Key findings are presented through visualizations, percentages, and summaries to ensure clarity and comprehensibility.

VI. RESULTS & ANALYSIS

The analysis of the training and development practices in the social enterprises of Mumbai and Pune region revealed several key insights:

H₀₁: *Training and development are not significant challenges in social enterprises of Mumbai and Pune region.*

6.1 Allocation of Annual budget for Training and Development by SEs

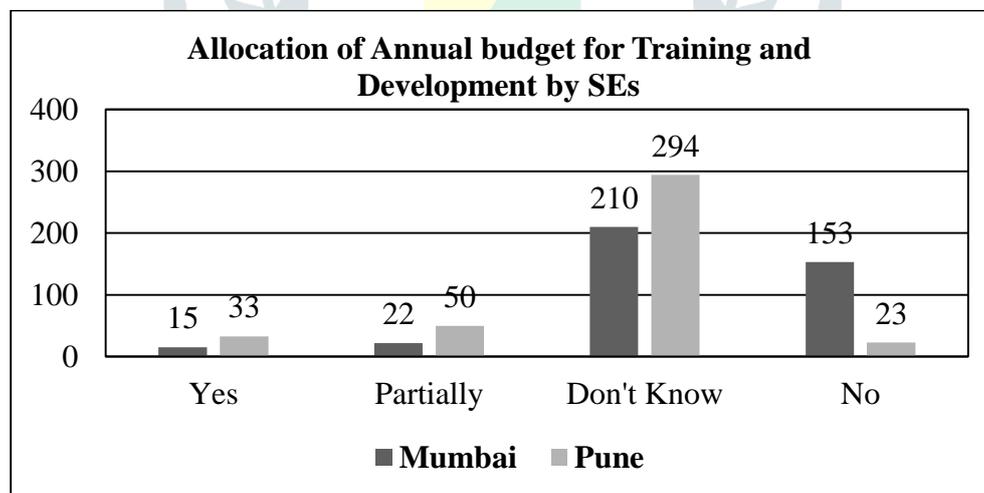


Figure: 6.1 (Allocation of Annual Budget for Training and Development by SEs)

The above Figure 6.1 represents the responses from employees regarding the allocation of the annual budget for training and development by social enterprises. Only 6% of employees of SEs stated that their organization sets a specific yearly budget for training and development. 63% were not aware of any such budget, while 22% stated that no fixed budget is assigned for annual training and development initiatives. The χ^2 Chi-Square test results indicated the calculated value (127.66) greater than the tabular value of (7.815). The difference is significant and therefore the H_a is accepted.

6.2 Conduct of regular Capacity Building Training Programs

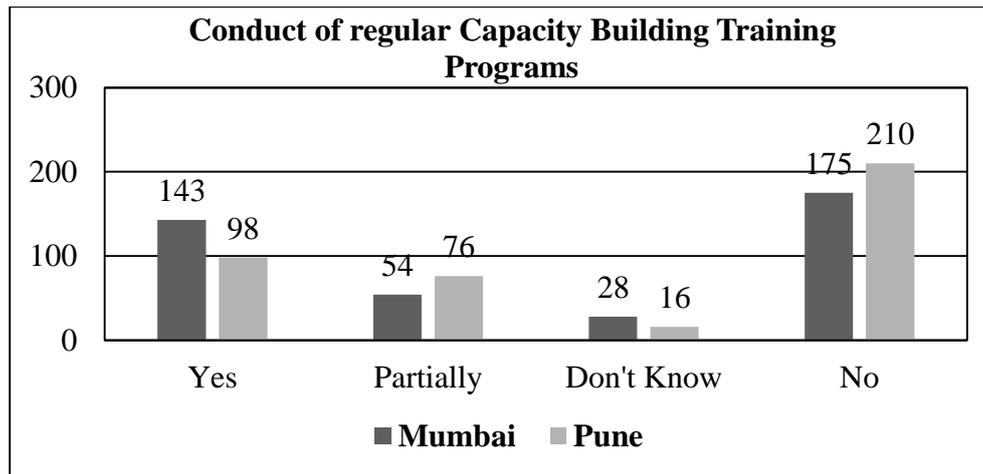


Figure: 6.2 (Conduct of regular Capacity Building Training Programs)

30% of respondents indicated that capacity-building training programs are held regularly, 16% stated that it is partially held and 48% stated that these programs are not held. The calculated value of χ^2 Chi-Square (18.58) is greater than the tabular value of χ^2 Chi-Square (7.815). The difference is significant and therefore the H_a is accepted.

Provision of adequate training for task completion: Only 17% of employees of the social enterprises stated that they are provided adequate training for task completion in SEs, while the rest 83% denied undergoing training. The χ^2 Chi-Square indicated the calculated value of (66.13) greater than the tabular value of (7.815). The difference is significant and therefore the Null Hypothesis H_0 is rejected and H_a accepted.

H_{02} : Training and development programs in social enterprises do not significantly impact employee performance delivery.

6.3 Orientation Program for New Entrants:

73% of respondents stated that orientation programs are conducted regularly, 16% stated that they are partially conducted, 5% were unaware and 6% stated that these are not conducted. On applying the χ^2 Chi-Square test, the calculated value of χ^2 Chi-Square (14.45) is greater than the tabular value of χ^2 Chi-Square (7.815). The difference is significant therefore the H_a is accepted.

6.4 Effectiveness of Capacity Building Training Programs:

75% of the respondents agreed that capacity-building training programs have enhanced their skills and thus increased productivity, 18% stated that it partially enhanced, 4% stated that it did not help enhance their skills and 3% were unsure. On applying the χ^2 Chi-Square test in Table 5.41, the calculated value of χ^2 Chi-Square (156.38) is greater than the tabular value of χ^2 Chi-Square (7.815). The difference is significant and therefore the H_0 cannot be accepted, and H_a is accepted.

VII. KEY FINDINGS

Allocation of Annual Budget for Training & Development: The findings indicate a significant gap in financial planning for employee development with only 6% of respondents stating that SEs allocate annual budget for training and development initiatives and 22% stating that funds are partially allocated.

Capacity Building Training Programs: Only 30% of respondents stated that capacity-building training programs form an integral part of the learning and development initiatives while 48% stated that these are not provided by their organizations regularly. Also, only 14% of respondents stated to have received adequate training to accomplish their tasks. This demonstrates a lack of focus by social enterprises in enhancing the skills and capabilities of their employees.

Orientation Program: Orientation programs for new entrants are regularly conducted by SEs as indicated by 72% of respondents. This suggests that new entrants are well-informed about their roles, as well as the organization's policies and practices. Social enterprises conduct On-the-job or Off-the-Job methods as a part of the orientation program. 53% of respondents stated that their organization provides both forms of orientation programs.

Effectiveness of Training Practices: The effectiveness of the training and development initiatives varied across the social enterprises examined. 75% of respondents stated that capacity-building training programs have led to the enhancement of their skills and therefore resulted in increased productivity.

VIII. CONCLUSION

Social enterprises in the Mumbai and Pune regions undertake various training and development initiatives to address the diverse needs of their workforce. While orientation programs for new entrants are regularly conducted, many social enterprises fail to prioritize comprehensive training and development, with only a few SEs allocating an annual budget for such initiatives. Capacity-building programs which are crucial for enhancing the functional capabilities of employees, are also often deprioritized. Although these programs have demonstrated effectiveness in enhancing performance delivery, the limited availability highlights significant challenges in access and implementation. This lack of emphasis on comprehensive learning and development initiatives can adversely impact employee performance, motivation, and productivity. Consequently, inadequate training may undermine the long-term success and sustainability of social enterprises. In the rapidly evolving landscape of the social sector, driven by technological advancements, the importance of continuous learning, skilling, and reskilling employees cannot be overstated. A strategic commitment to these areas is critical for ensuring organizational relevance, fostering employee growth, and achieving a sustainable and meaningful impact.

IX. RECOMMENDATIONS

- 1. Conduct Training Needs Assessments** - Regularly assess the skills gaps and training needs of employees to tailor programs that address specific requirements.
- 2. Develop Customized Training Programs** - Design training modules that align with the unique mission, goals, and challenges of social enterprises. Incorporate leadership development, and social impact training to build well-rounded employee competencies.
- 3. Leverage Technology and E-Learning Platforms** - Utilize affordable training resources and e-learning platforms to provide flexible, cost-effective learning opportunities.
- 4. Focus on Soft Skills Development** - Equip employees with the interpersonal skills necessary to work effectively in diverse social contexts.
- 5. Monitor and Evaluate Training Effectiveness** - Establish key performance indicators (KPIs) to measure the impact of training programs on employee performance and motivation.
- 6. Align Training with Career Development** - Link training programs to clear career growth opportunities within the organization to boost employee motivation. Offer certifications or formal recognition for completing training programs to enhance employee satisfaction and retention.
- 7. Partner with External Experts and Institutions** - Leverage external partnerships to provide advanced skills training at a lower cost.

Strong leadership inspires innovation, equipping teams to overcome challenges and capitalize on opportunities. By prioritizing training and development, social enterprises can unlock potential, drive excellence, and cultivate a culture of continuous learning. This strategic focus would not only accelerate the growth of social enterprises but will also amplify the positive and meaningful impact on the communities they serve, driving sustainable progress and social transformation.

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