

Conceptual Frame Work for Entrepreneurship Capital

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Regarding entrepreneurial theories, opinions have varies widely. The psychologists emphasize certain non-materialistic, inner, psychic concerns as a prime mover for risk-bearing and motivation. Schumpeter's entrepreneur possesses three things,¹ first, an institutional capacity to see things in a way which afterwards proves to be true; second, a unity of effort of will and mind to overcome fixed habits of thinking; and third, the capacity of surmount social opposition against doing something new. McClland emphasizes the achievement motive which is inculcated through child – rearing practices, which stress standards of excellence, maternal warmth, self-reliance training and low father dominance.² Hage considers the withdrawal of status of respect as the trigger mechanism for change in personality formation.³ Kunkels behavioural model is concerned with the overtly expressed activities of individuals and their relations to the previously and presently surrounding social structures and physical conditions.⁴

The sociologists put it in a different way. For Max Weber, the driving entrepreneurial energies are generated by the adoption of religious beliefs. It is these beliefs which produce intensive exertion in occupational pursuits, the systematic ordering of means to ends and accumulation of assets.⁵ Cochran emphasizes cultural values, role of expectations and social sanctions. According to him, entrepreneur represents society's modal personality. His performance is influence by three factors namely, his own attitudes toward his occupation, the role expectations held by sanctioning groups and operational requirements of the societies values are the most important determinants of the first two factors.⁶

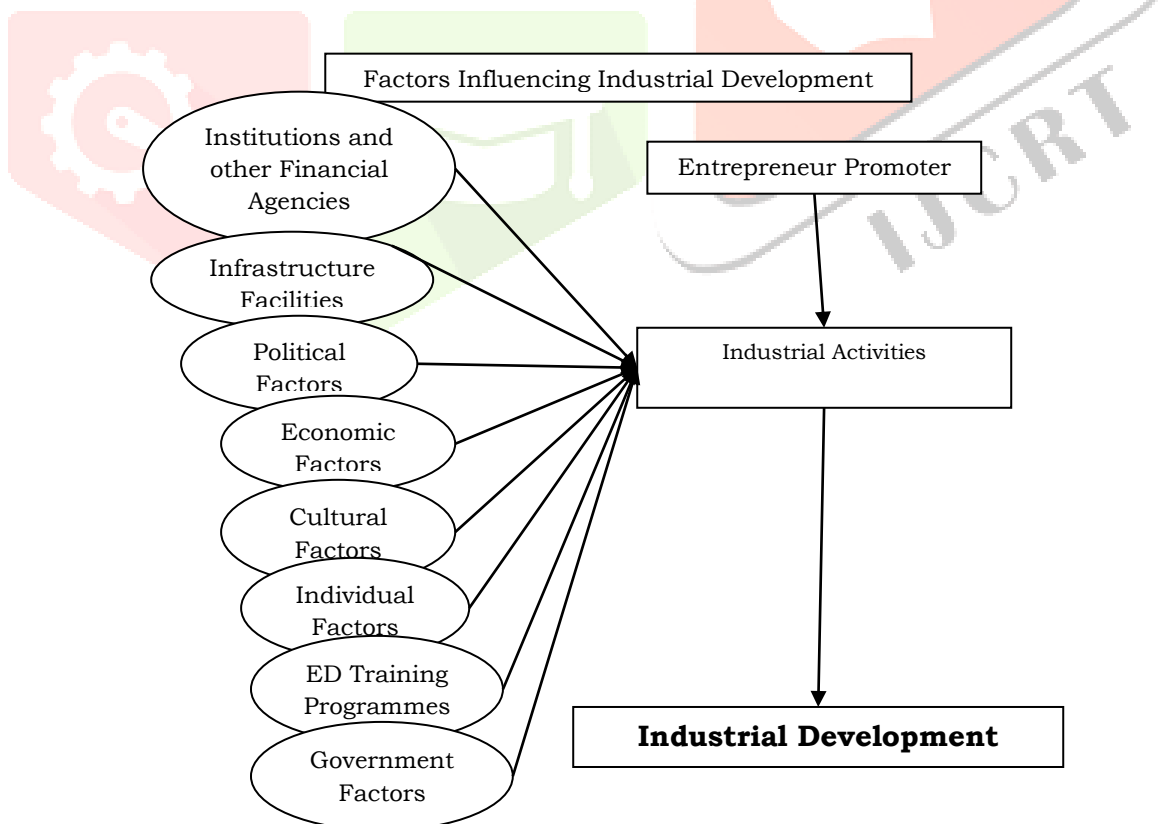
The economists' approach is totally different from the theories on entrepreneurial supply and is evident the empirical studies such as those of G.F Papanek and J R Harris. According to this view, the psychological drive for pecuniary gain or the desire to improve real incomes is present in all societies. What matters is the economic environment.⁷ The political economy paradigm of Flavia Derossi holds political power as a permanent factor in entrepreneurial development in all new developing countries.⁸ Every theorist has looked at the problem on the basis of his area of specialisation and therefore, can at best provide only a partial view of the entrepreneurial phenomenon. In fact, the various factors which cause emergence of

entrepreneurship are integral and not additive. Others who have made significant contributions to theory building on entrepreneurship include Young, Stepanek, Tandon and Berna.

In the present age of state entrepreneurship in the economic life of nations, entrepreneurship is largely determined by the climate created by various institutions. Though entrepreneurship has been recognised as a function of individuality of the entrepreneur but the individual, individualises himself in the society. The society is only a subject of entrepreneurial operation but also provides the context for various innovations. The commercial viability of technological innovations is aided by an infrastructure created for this purpose by the society, especially the state. It is in this context that institutional framework has become major determinant of entrepreneurial efforts.

The industrial activity at any time is dependent upon a complex and multiple mixture of infrastructural, financial, institutional, cultural and personality factors. The personal backgrounds of the individuals who undertake industrial activity are strongly influenced by several internal and external factors including the world situation, political trends, etc. Factors influencing industrial activities are shown in the figure No.II.07

Figure No: II. 07. Factors Influencing Industrial Development



Thus, multiple factors affect entrepreneurial spirit among people and them, in turn, exert their influence on environment. The process of interaction and adoption between the individual and his environment goes on. At any given moment of time, the individuals take advantages from the situations in which they find themselves through the media of social roles, group norms and cultures, past experiences and future expectations.⁹ Manufacturing regions in the free capitalist economies could emerge only due to some locational advantages. For example, the development of coastal regions into major trading centres in countries like U.K is on account of the location of the ports which connect mainland with the countries overseas. These trading centres further developed into manufacturing regions.

But in the mixed economies of the present day world, public investment have come to play a major role in overcoming the special weaknesses of underdeveloped countries. State, in third world countries like India, creates a host of institutions and infrastructural facilities to facilitate the process of industrialisation in general and to overcome the obstacles to industrialisation in underdeveloped regions. It is in this context there is a need to study the role of entrepreneurial development in the economic development of a country or region.

The basic objective in developing entrepreneurs and multiplying them in the society has been to enable the society to generate productive human resources, mobilise and sustain to the societal resources for the benefit of the people.

The study of a region or country is incomplete if the entrepreneurial history of that particular country is ignored. The Indian society from times immemorial has been characterized by a kind of stratification on religious and regional basis. Among the Hindus, the bania is such a caste which mainly deals in commodities and carries on money lending business.

As the banias specialised in the trade and commerce, they were the most urbanised section of the community. Because of their financial strength they enjoyed a respectable position in the urban centres, though in the caste hierarchy they come next after the Brahmins and the Kashatriyas, where the caste system was relatively loose as well as the people of other castes also moved into these occupations and came to be regarded as members of the business community.¹⁰

By the middle of the 19th century, India had a fairly developed business community. Gujarat and erstwhile Sourashtra were the most urbanised and developed places in the whole of India with a continuous record of foreign trade lasting over centuries. Parsis who migrated from Persia to Gujarat in the 8th century were chiefly noticed as artisans, carpenters, weavers etc. in the 17th century they had become prominent

ship – builders and by the end of 18th century they had prominent business houses in Bombay, Burma, China and London.¹¹ By the middle of the 19th century they had emerged as a trading and financing community of Bombay and Gujarat. Thus, the Parsis and Gujarat trading castes became the wealthiest Indian communities by middle of the 19th century, controlling the foreign trade in India.¹²

In South India, the trading castes were the Chettis sub-divided into various groups such as the Telugu Komatis. The Tamil Nattukottai chettis, Beri Chettis etc. the Komatis were the chief traders not only in Telegu districts, but also in Mysore, Coimbatore, Canara and other places. The Nattu-Kottai Chettis were the chief bankers and financiers of South India. The Beri Chettis traded chiefly in drug and grain and had connections with the south east Assam, Burma, Ceylon, Malaya, Singapore etc. the Chettairs formed an important part of the propertied class of Indians in Malaya.¹³

In Bengal, there did exist community like the Subarana Baniks who traditionally specialised in trade and commerce like banias in other regions.¹⁴ The Bengali merchants and capitalists did participate in trade, industry and banking along with their British principles. But as the Britishers consolidated their political power, Bengali houses gradually disappeared from the scene.¹⁵ The Bengali merchants and then diverted their capital towards land.¹⁶ as investment in land had become profitable. The average Bengali received English education and joined mercantile houses as well as administrative services. There was another important and fairly developed business community called Marwaris hailing from Marwar in Rajasthan. The trading and money-lending castes attained their greatest development in Gujarat and Rajaputana through which lay the famous trade route from Gujarat to the historical centre of the great Mogul State.¹⁷ Besides these trading and money-lending communities and the European commercial interests, there were some other like Bhatias and Lohanas who were engages in local trade, and were very widely dispersed all over the country. An urban Hindu community called Khattris were engaged notably in trading activity not only Punjab but also in Afghanistan, Central Asia etc. In the absence of bania elements in Maharashtra, Yajurvedi Brahmins and Chitpavan Brahmins took considerable part in trading, money-lending and banking.¹⁸

The Indian Industry was basically a cottage and small scale, declined at the end of the 18th century for various reasons¹⁹ such as the disappearance of Indian courts; establishment of an alien rule with the influx of the many foreign influences, and the competition from highly developed firms of European industry. The beginning of the European commercial activities in India in the 17th century did not shake of its occupational class and helped in changing the methods if trading in India.²⁰

In 1858 there were four cotton textile mills in India and within period of 25 years their number increased to 58. During this period Indian entrepreneurship was not confined only to textiles but efforts were also directed toward shipping, iron and steel and hydroelectric systems. In the wake of industrial entrepreneurship in India, except Parsis, all other were drawn from the non-commercial communities. The well known commercial communities Jains and Vaishyas, lagged behind in entrepreneurial activity throughout the 19th century.

The Swadeshi campaign was launched by Indian political leadership in October, 1905 with partition of Bengal. The emphasis on indigenous goods made Jamshedji Tata to start the first cotton mill, named as the Swadeshi Mill. By 1905 there was a greater unity of purpose. The advertisement of Krishna Mills in the Tribune of April 13 made the following appeal: "Our concern is financed by Native capital and is under native management throughout."²¹ The Swadeshi movement definitely had a positive contribution to make in including the Indian Investment in Industrial activities and starting industrial activity under Indian management.

After the First World War, the Government of India agreed to the 'discriminating protection' to certain industries. These measures helped in establishing and extending the factory system in India in the first four decades of the 20th century. The advantages of these policies and opportunities mostly went to the Indians.²² The history of entrepreneurship before 1974, under British regime, would not be complete unless some reference is made to the Managing Agency System. The credit for intimation of this system goes to the Indian Dwarakanath Tagore, who because of his personal reason motivated others to form joint stock companies and invented a unique method of management, i.e., Management in the hands of 'firms' rather than 'individual' as managing director of joint stock enterprise.²³

After Independence, Government of India recognised the need of planning which means spelling out the priorities and development of infrastructure. To accelerate the industrial growth the Government came forward with various incentives. The First Industrial Policy of 1948 provided various guidelines for industrial development in the national interest. It also assumed that industrial development by demarcating the industrial field for the private sector.

But the acceptance of a socialistic pattern and the nationalisation of Life Insurance business created a doubtful atmosphere in private sector. Therefore, the Government again came out with a new industrial policy resolution and it again accepted the overall responsibility for industrial development. The resolution pronounced mixed economy with a division of

the sphere of activities, with complete co-ordination and mutual help as its goal. Though the public sector was to be progressively expanded it assured the existing private sector enough work in a reserved sphere and also stressed the need for state stimulation for the growth of private sector. The policy resolution of the state also pointed out an important role to the small private sector for the diversification of industry to the underdeveloped areas and its ability to generate employment opportunities.

This changed the nature of Indian entrepreneurship to a significant extent and brought into existence the newer techniques of modern management. In this period the opportunities were largely exploited by the on-going business. The expanding level of investment in the economy, the policy of important substitution and other favourable policy measures created an extremely favourable atmosphere for the leading business to grow and diversify their activities. It is true that some families and business houses in this period grew beyond the normally expected size and remained an object of criticism. A large number of established entrepreneurs branched out into a number of different industries to the extent that the textile mills groups invaded the area of electronics. The family entrepreneurship units like Tata, Birla, Mafatlal, Dalmia, Kirloskar and others established new frontiers and abnormally expanded the existing units. These entrepreneurs diversified the industrial base of the economy in this period. But all this happened without the diversification of the entrepreneurial base so far as its social and economic stratification is concerned.

After independence the whole approach to the problem has undergone a sea change with the setting up of the Planning Commission, a systematic formulation of plans and policies has been attempted. The Industrial Policy Resolutions of 1948 and 1956 have given to the state an important direct entrepreneurial role, to make up for the lack of private initiative in certain key areas. Emergence of broad-based entrepreneurship and balanced regional development has become important goals of national development plan. A policy of support and incentives directed towards industrial growth has been introduced. Special concessions and privileges are offered for attracting industries to backward areas.

With the emergence of 'Planned Economic Development', the need for special measures to raise the standards of living of the people has been recognised. It has been widely recognised that industrialisation holds the key to a rapid economic development of a country. Realising this fact, soon after independence the Government of India stressed the need of rapid and balanced industrial development in the first Industrial Policy Resolution of 1948 assigning different roles to large and small scale sectors. The need was

also felt for creating an entrepreneurial class who would carry the message of industrialisation to the nook and corners of the country.

Entrepreneurship foster in the industrialisation of a country in different ways, viz., assembling and harnessing the various inputs, bearing the risks, innovating and imitating the techniques of production to reduce the cost and increase the quality and quantity, expanding the horizons of the market, coordinating and managing the manufacturing unit at various levels. In fact, the industrial development of a country critically depends upon the number and abilities of its entrepreneurs. Therefore entrepreneurship is regarded as one of the determining factors of the industrial growth of a country.

The creation of new entrepreneurial class is depend upon the availability of institutional framework in the state. For this purpose, State has to play an important role.

The key role of infrastructural facilities in promoting economic development of backward areas is now widely recognised. Since adequate infrastructural facilities are essential for the promotion of industrial growth, their proper planning and provision are be the main concern of planning bodies.

These combined initiatives and incentives of the central and state governments with the active support of financial institutions have transformed the Indian Economy.

Though the entrepreneurial development is not equally distributed, same regions are contributing mine to the national exchequer.

In Bangalore, the I.T and B.T boom, in Coimbatore, machine tools, in Noida, machine tools and equipments are the clear indication of the percolating effect of planned investment in Human Resource Development.

Broadly entrepreneurs can be classified on the basis of functional ownership pattern as, i) Entrepreneur as a sole trader. ii) Entrepreneur as a partner. iii) Corporate Entrepreneur.

Michael P Peters, Dean A Shepherd and Robert D Hisrich²⁴, (1998) mentioned the concept of an entrepreneur is further refined when principles and terms from a business, managerial and personal perspective are considered. The concept of entrepreneurship from a personal perspective has been thoroughly explored in this century. This exploration is reflected in the following three definitions of an entrepreneur:

In almost all of the definitions of entrepreneurship, there is agreement that we are talking about a kind of behaviour that includes: 1) initiative thinking, 2) the organising and reorganising of social and economic

mechanisms to turn and situations to practical account, 3) the acceptance of risk or failure.²⁵

To an economist, an entrepreneur is one who brings resources, labour, material and other assets into combination that make their value greater than before, and also one who introduces changes, innovations and a new order. To a psychologist, such person is typically driven by certain forces-the need to obtain or attain something, to experiment, to accomplish, or perhaps to escape the authority of others. To one businessman, an entrepreneur appears as a threat, an aggressive competitor, whereas to another businessman the same entrepreneur may be an ally, a source of supply, a customer, or someone who creates wealth for others, as well as finds better way to utilise resources, reduce waste and produce jobs others glad to get.²⁶

Entrepreneurship is the dynamic process of creating incremental wealth. The wealth is created by individuals who assume the major risks in terms of equity, time or career commitment or provide value for some product or service. The product or service may or may not be new or unique, but value must somehow be infused by the entrepreneur by receiving and locating the necessary skills and resources.²⁷

Although each of these definitions views entrepreneurs from a slightly different perspective, they all contain similar notions, such as newness, organising, creating wealth and risk taking. Yet each definition is somewhat restrictive, since entrepreneurs are found in all professions-education, medicine, research, law, architecture, engineering, social work, distribution and the government.

Entrepreneurship is the process of creating something new with value by devoting the necessary time and effort, assuming the accompanying financial, psychic, and social risks, and receiving the resulting rewards of monetary and personal satisfaction and independence.²⁸

Training

Introduction to training

Training is an organised procedure by which people learn knowledge and acquire the skills they need for a definite purpose. Training is what is done to the trainee. This training is rooted in the learning process and learning is that human process by which skills, knowledge, habits and attitudes are acquired and utilised in such a way that behaviour is modified. In other words training causes learning, a process that takes place within the trainee in which behaviour changes occur as a result of experience.

Learning cannot be measured directly but the changes in behaviour that occurs as a result of learning can only be measured¹. Training may be defined as any procedure, initiated by a training institute, which intends to foster and enhance learning among the individuals.²

Training is a forum where human principles of courtesy, integrity, honesty and behaviour can be correctly taught. The trainer should be of high calibre and respected within the institutes. The perception of individuals that training will help them grow in their self-employment ventures and give them better work satisfaction must be created. Training can be a significant tool in bringing about change. As an effective change agent, the training function must be systematic and orderly in providing assistance to solve problems and in achieving their entrepreneurial goals.³

Necessity of training

New entrepreneurs require training so as to perform their tasks effectively. Instruction, guidance, coaching help them to handle enterprise completely for the accomplishment of goals without wastages. Training is necessary for the existing entrepreneurs to improve their performance at higher level. Entrepreneurs require fresh training so as to keep abreast of the latest developments. In the face of the field of technology changes makes absolute need for training. Training programme is to fill the skill gaps. The objectives of training are to bridge the gap between existing performance ability and desired performance in self-employment. To impart new entrants, basic knowledge and skills are necessary for an intelligent performance of desired task. To assist entrepreneur function more effectively in their task by exposing themselves to latest concepts, information and techniques and developing the new skills that they require in their future roles. To broaden the minds of entrepreneurs by providing them with opportunities for and interchange of experience within and outside with a view to correct narrow outlook.⁴

Training may be defined as any organisationally planned effort to change the behaviour or attitudes who would like to take-up self-employment. So that they can perform to the acceptable standards. Edwin B Flippo⁵ has defined training as “the act of increasing the skills of an individual for doing a particular job.” Thus training is a process of learning sequence programmed behaviour. This behaviour being programmed is relevant to a specific phenomenon that is selected self-employment. Training provides knowledge and skills required for the self-employment, education is general, it aims being improved entrepreneurs general knowledge. Training is short term process of utilising a systematic and organised procedure by

which entrepreneurs learn technical knowledge and skills to take-up self-employment as a respectable means for the life.⁶

V S Sooryanarayana⁷ expressed his opinion about the necessity of skills in employment. Author stressed the importance of training for the effective engage in any duty and self-employment. The efficient people are the asset for the economic development of country.

Athreya Sharma⁸ mentioned that there is a relationship between agriculture and human resource development. Human resource development is necessary for the progress in agriculture. Farmers have to be trained in all the sectors including new technology, dairy forming, horticulture etc.

Rajulapudi Srinivas⁹ stressed the importance of infrastructure and training for the industrial and economic development of the country.

There are 1.9% of handicapped in India's total population. Out of this 75% are not attending schools and any other activities. Thus, this ignored corner has to be concentrated and training has to be given to take-up self-employment¹⁰.

Objectives of Training

Without a right objective, nothing can be achieved. Target has to be fixed to reach it. After determining the training needs, it is important to specify training objectives. Well specified objectives define the content of the training programmes by providing clear statements of exactly what is to be learned. Mager describes three characteristics of a useful instructional objective. First, the objective should define the behaviour that will be accepted as evidence that the trainee has mastered the objective. Second, it should specify the important conditions under which the performance is expected to occur. Third, the objective should be specifying a level of performance that will be considered acceptable. The success of training programme can be measured in terms of extent of which training objectives are accomplished. And specifying training objective provides trainees with a clear understanding of exactly what they will be expected to do after participation in the training effort.

The following are the objectives:¹¹

- To enhance the knowledge, skills and performance capabilities of those who are willing to be entrepreneurs.
- To motivate, encourage and to build confidence to more and more to become entrepreneurs.
- To keep abreast of developments in technical and management fields.

- To develop capabilities and competence to assume higher responsibilities and risks.
- To promote individual development and to create conditions for a high level of work enjoyment, affinity with the society and desired attitudinal changes.
- To improve the quality and quantity of output, to lower the cost of waste, equipment maintenance and accidents in self-enterprises.

Benefits of training for the self-employing entrepreneurs

Shashi K Gupta and Rosy Joshi¹² have listed the benefits of training for the self-employing entrepreneurs. They are:

- ✓ Helps the individual in making better decisions and effective problem solving.
- ✓ Through training and development, motivational variables of recognition, achievement, growth, responsibility and advancement are internalised and operationalised.
- ✓ Aids in encouraging and achieving self-development and self-confidence.
- ✓ Helps a person handle stress, tension, frustration and conflict.
- ✓ Provides information for improving leadership, knowledge, communication skills and attitudes.
- ✓ Increases work satisfaction and recognition.
- ✓ Moves a person towards personal goals while improving interactive skills.
- ✓ Satisfies personal needs of trainee.
- ✓ Provides the trainee an avenue for growth and for future.
- ✓ Develops a sense of growth in learning.
- ✓ Helps a person develop speaking and listening skills, also writing skills.
- ✓ Helps eliminate fear in attempting new and challenging tasks.

Principles of training

Every training institute should have a well-established training policy. Such policy represents the top management's commitment to the training of its individuals and comprises rules and procedures governing the standard and scope of training. Training principles are considered necessary for the following reasons:¹³

- To indicate institution's intention to develop entrepreneurs.
- To discover critical areas where training is to be given on a priority basis.
- To provide suitable opportunities to the individuals for their betterment.

- Analysis of the training institute.
- Setting the training goals.
- Laying down procedures to implement training policies.
- Selection of qualified trainers.

The usual questions underlying training mission have been; who to train? What to train? When to train? How to train? Thus an effective training policy must answer for all these above mentioned questions.

The disappointments which arise from training policies usually originate from, the members being wrongly selected, the members being badly prepared and motivated, the course being bad in content or method, the course objectives being inappropriate and the course not being related to realities

Contents of training

The success of training programme also depends on contents of training. The training contents should be premed very well according to the current needs. The content areas are information, acquisition of skills, attitudinal change, decision making and problem solving skills. The key learning principle is feedback or knowledge about one's performance. Training programme should motivate trainees to learn. The trainees' characteristics i.e. ability level and individual differences counts a lot. The cost of training also should be considered. The vast content of training may involve more cost and time. Sometime, it may be unnecessary and also gives chances for confusion.¹⁴

Thus, technical skills deals with things, human skills deals with people and conceptual skills deals with ideas. Since people in self-employment perform different kinds of duty, they require different kinds of skill mix.¹⁵ Osmond¹⁶ has identified eight specific skills required for an entrepreneur. These skills are relating to balancing, interacting, setting priorities, setting and developing standards, conceptualising, leading, matching oneself with one's enterprise and delegating.

Rajendra¹³ has identified various relevant personal skills as analytical skills, creativity, sense of high achievement, risk taking aptitudes, business aptitudes, leadership, knowledge of external environment, planning process and accuracy in work. Dasgupta¹⁸ has stressed the importance of problem solving, decision making and forecasting skills for a self-employing individuals.

How to make learning Meaningful:¹⁹ it is easier for trainees to understand and remember material that is meaningful. Therefore:

- ✓ At the start of training, provide a bird's-eye view of the material to be presented. Knowing the overall picture facilitates training.
- ✓ Use a variety of similar examples.
- ✓ Organise the information so one can present it logically and in meaningful units.
- ✓ Use terms and concepts that are already familiar to trainees.
- ✓ Use as many visual aids as possible.

To make skills transfer easy:²⁰ Make it easy to transfer new skills and behaviour from the training site to the self-employment site:

- Maximise the similarity between the training situation and the work situation.
- Provide adequate practice.
- Label or identify each feature of the machine and step in the process.
- Direct the trainees' attention to important aspects of the self-employment.
- Provide "heads-up" preparatory information. Trainees learning to become entrepreneurs often face stressful conditions, high workload and difficult subordinates back in the enterprise. Studies suggest that these things can be reduced by informing the trainees what might happen and also the negative impact of such events.

Methods of training

Training methods are means of attaining the desired objectives in a learning situation. After identifying the needs of training an institution can go for selection of training methods that will satisfy the needs of individuals. The aim of training methods should be for development of technical skills, behavioural skills, decision making skills, multi skills and knowledge which are necessary for an entrepreneur.²¹

The following are the various methods in which trainer can impart knowledge, specific skills and attitudinal change in the trainees.²²

Lecture Method

Objectives:

- ✓ Systematic presentation of a particular theme.
- ✓ Conceptual clarification of content.
- ✓ Helping trainees to evaluate their knowledge and attitude.

Method:

- ❖ Preparation of subject in advance.
- ❖ Contents should be in sequence and pin pointed.
- ❖ Language should be simple and intelligible.
- ❖ Pronunciation should be clear.
- ❖ Use of Black board / OHP / LCD projector as much as possible.
- ❖ No deviation from the real topic.
- ❖ Non-stop talking by the lecturer to be avoided.
- ❖ Issues should be discussed during lecture and due chance should be given to the trainees for asking questions, so as to enable them to understand the topic / subject fully and to contribute from their own experience and clarify doubts.

Agenda Method**Objective:**

- ✓ Developing confidence and skills among participants to do a specific task without any help from the trainer.

Method:

- ❖ The trainer gives a particular assignment to the trainees. For example, what steps each trainee or a small group of trainees should take to establish a successful Self-employment units. He suggests that they may refer to relevant chapters in the manuals or other reports. The reference material should be available in the classroom, or the library.
- ❖ Trainer gives time to study the reference material when he / she go out of the classroom.

Group Discussion Method**Objectives:**

- ✓ To develop logical reasoning on a particular topic.
- ✓ To enhance potential of self-expression.
- ✓ To learn from each other's experience.
- ✓ To learn to respect and tolerate opinions of others.

Method:

- ❖ The trainer decides the topic of discussion and then makes reading materials available to the trainees.
- ❖ Formation of small groups.
- ❖ Selection of group leader and reporter.
- ❖ Fixes time period for discussion.

- ❖ Each trainee is encouraged to take part in the discussion.
- ❖ Trainer or resource person to observe and not to intervene while discussion is going on. However, he / she may clarify doubts, if asked to do so by the group.

Assigning Task Method

Objective:

- ✓ The objective of this method is that the trainees should develop confidence to do the job themselves, instead of depending upon others.

Method:

- ❖ Trainees are given a definite assignment or a task, and the trainer only guides them to the source of information, e.g. where to go, whom to meet.
- ❖ What type of information people in the area need.
- ❖ How will trainees pass on the information to those people who require it.

Demonstration Method

Objectives:

- ✓ To help trainees to analyze a particular situation and express their views through the process of observation.
- ✓ To get practical knowledge of the task to be performed.
- ✓ To observe the steps and discuss problems with the trainer.

Example:

Trainees want to learn poultry keeping.

Method:

- ❖ Trainer asks the trainees to visit poultry farm and observe various activities.
- ❖ The trainer discusses with the trainees as to what particular activities are to be observed and discussed with the poultry keeper. Some of these may be:
 - Type of poultry in the farm
 - Feed and feeding schedule.
 - Type of diseases and treatment.
 - Marketing
 - Source of assistance
 - Financial gain.

Case Study Method

Objective:

- ✓ To study the efforts made by an individual or a community to achieve a particular goal and the impediments and the struggles to achieve the same.

Method:

- ❖ This is a method in which truth / facts are studied with the help of a person / community who has actually passed through a particular process.
- ❖ Study is conducted on the efforts made to achieve the set goal, the impediments and the struggle to remove them.
- ❖ It should be a specific and straight forward account of an actual event or situation. The learning objective of the case study must be made clear before understanding the study. It should not be an end in itself.
- ❖ Read a good case study, interview and discuss with the persons / community involved. If possible, live with the individual or the community for few days.

Role Play Method

“Role Play” as the term indicates is enacted to bring out the roles of characters seen in real life.

Objective:

- ✓ Bringing out the role played by people in actual life.
- ✓ Helping them to understand their own attitudes, feelings and behaviour.
- ✓ Encouraging them to change their negative attitudes, if any.

Method:

Defining the purpose of the role-play. The learning objective must be clear. Otherwise, the role-play may become a skit or drama which only entertains.

- ❖ Discussing briefly the issue or problem or behaviour and deciding which are the important aspects to be included in the role-play.
- ❖ Selecting those who will play the role most effectively.
- ❖ Preparing the play and rehearsing it.
- ❖ Choosing observers and briefing them as to what they should look for, when the rehearsal is going on.
- ❖ Intervening whenever and wherever necessary and clarifying.
- ❖ Asking the observers for their comments at the end of the role-play to see if the purpose of the play is served.

Simulation Method

Objective:

- ✓ Simulation is an interactive learning method. This method is used for creating a complex reality situation within the contexts of training programme. Thus, simulation is a method of learning without facing real life risks in a situation simulated to approximate reality. Various roles are assigned to different participants and the exercise takes place for a specified period of time. Various events and activities are set up to facilitate the interaction amongst the trainees.

Brain Storming Method

Brainstorming is a training technique generally used for problem solving or generating a number of possible solutions to a problem. This method is used for probing into alternative method of working. It stresses the use of “open minded “or “free thinking “without criticism of any idea expressed. The goal of brainstorming is to come up with as many ideas as possible without regard to quality, with as many team members as possible contributing their thoughts. Here quantity of ideas is far more important than the quality of ideas. Even wildest idea is accepted and recorded.

Objectives:

- ✓ Developing the ability of arriving at a decision quickly.
- ✓ Help to consolidate previous learning.

Method:

- ❖ This method is applied in a group of trainees with or without prior conscious knowledge of the subject. Trainees offer their ideas or suggestions freely to a problem, which comes to their mind at the spot of moment, without taking much time.

Training Games

Objective:

- ✓ Setting some training or business games for working together effectively for the entire duration of the programme. This helps trainees to work in a group or team, even outside the training class for promotion of programmes and activities.

Method:

- ❖ Patient listening to each other’s ideas.
- ❖ Respect for other’s opinion.
- ❖ Having team spirit to work in a programme.
- ❖ Deciding clearly what action the group will take and also deciding what each person will do.

As various methods of training are available to the trainer, a trainer can use all the methods or select any one or more methods to impart knowledge, to enhance the skills and to bring in attitudinal change in the trainees depending upon the situation and training needs of the trainees.

Role of trainer and Trainee

Training is a forum where human principles of courtesy, honesty and behaviour can be correctly taught. The trainer should have the calibre and should also be respected within the training institute. The perception of individuals is that training will help them grow in their self-employment and give them better work satisfaction must be created. It is important that training programme should enable individuals to gain in self-employment perspective and make them function on their own. Training can be a significant motivational tool in bringing about change. As an effective change agent, the role of trainer plays indispensable. The training function must be systematic and orderly in providing assistance to solve self-employment problems and in achieving their goals.²³

The training philosophy and approach places high demand on the trainer. A trainer must possess sufficient knowledge, skills and practical experience in training. A trainer is someone who is competent in three fields: training know-how, training approach and all training co-operation. One of the major tasks of the trainer is to provide leadership in establishing goals for the training of entrepreneurs. To some extent the success of the training programme depends upon proper selection of the person who performs the training tasks. Personal characteristics are important factors in the selection of trainers. A trainer has to determine (a) what training has been done? (b) What has been accomplished through the training efforts? And (c) what training is now planned or targeted for future? Trainer's major tasks are:

- To identify training needs.
- To identify all the tasks performed on the self-employment.
- To determine the learning requirements for those tasks.
- To appraise the trainees' capacity to learn those tasks.
- To formulate a training approach that matches the learning requirements for those tasks.
- To develop a training programme that implements the approach.
- To try out of the programme with a sample of the intended audience.
- To take revisions based on test results.
- To establish measurable and reasonable quality and quantity standards and plan the total input of training activities.
- To undertake a comprehensive training audit periodically.

Motivation Principles for Trainers:²⁴

- ✓ People learn best by doing. Try to provide as much realistic practice as possible.
- ✓ Trainees learn best when the trainers immediately reinforce correct response, perhaps with a quick “well done”
- ✓ Trainees learn best at their own pace. If possible, let them pace themselves.
- ✓ Create a perceived training need in trainees’ minds.²⁵ “In one case study, pilots who experienced pre-training, accident-related events subsequently learned more from an accident-reduction training programme than did those experiencing fewer such events.”²⁶
- ✓ The schedule is important. The learning curve goes down late in the day, so that “full day training is not as effective as half the day or three-fourths of the day.”

Trainees: The success and effectiveness of self-employment training is not only depends upon training institute and trainers. It partially depends upon individuals or trainees who are attended the training programme. The responsibilities of trainees also play a very indispensable role. Trainees’ interest in training, desire for training also counts a lot.

The trainees should possess the following points during the training and also the post-training. They are;

- ❖ Trainees must be eager to learn and earn.
- ❖ Trainees must always be positive thinkers, good attitude is also important.
- ❖ Trainees should have ambition, aspiration and self-discipline for the life.
- ❖ Trainees should possess the minimum qualification and the knowledge of present.
- ❖ Trainees should be effective and good listeners.
- ❖ Trainees should be punctual for the training programme and to their duties.
- ❖ Trainees should be more responsible persons.
- ❖ Trainees should be loyal to the training institute and also to the trainers.
- ❖ Trainees should be committed to their duties.
- ❖ Trainees should be hard-worker and risk-taker.
- ❖ The negligence nature must not be in trainees.

Evaluation of effectiveness of training:

The efficiency and effectiveness of training programme must be evaluated systematically. For years, psychologists and many training professionals have argued that institutions spend too little money and time

for evaluating the effectiveness of training programmes. There are many reasons why training programmes should be thoroughly evaluated.²⁷

According to R Sathru Sangara Velsamy²⁸ the effectiveness of training is in imparting new entrants the basic knowledge and skill they need for an intelligent performance of desired task. To assist individuals to function more effectively in their position by exposing them to latest concepts, information and techniques and developing the skills they will need in their future roles. To broaden the minds of trainees by providing them with opportunities for an interchange of experience within and outside with a view to correct the narrow outlook that may arise from over-specialisation.

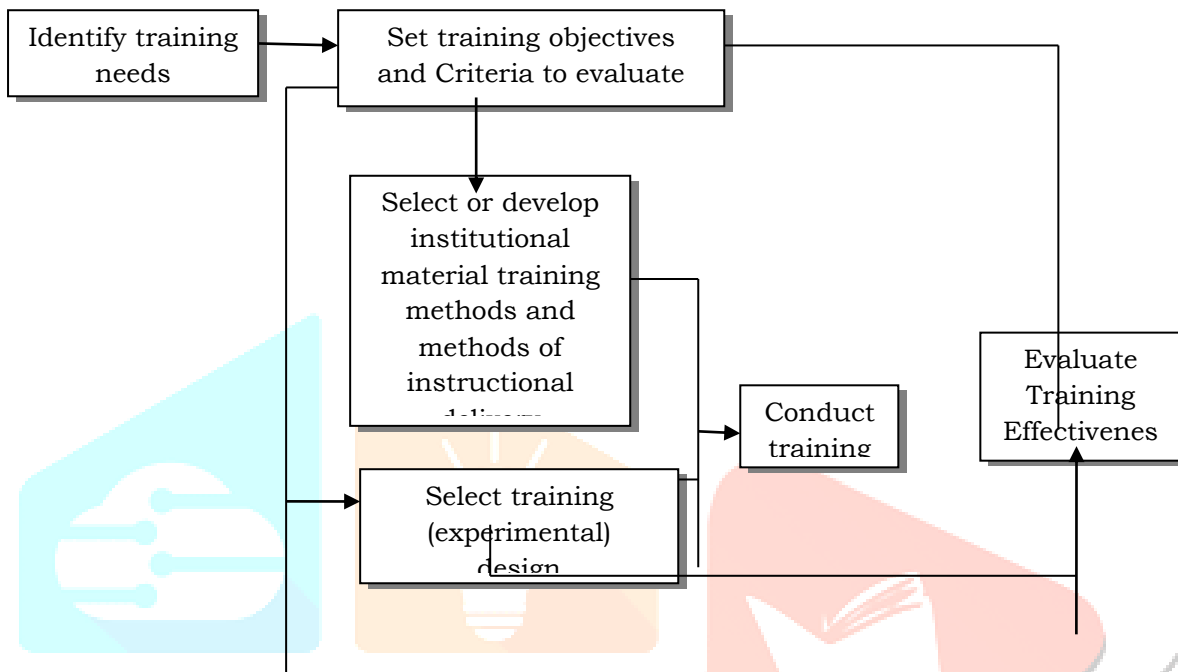
A major reason to evaluate training programmes is to determine if they are accomplishing the specific training objectives. A training programme that does not change individual's knowledge, skills or attitudes in the desired direction should be modified or replaced. A second reason for evaluation is to assure that any changes in trainee's capabilities are due to the training programme and not to the other conditions. In order to determine that a training programme is responsible for changes in trainees, it is necessary to compare the trainee's performance before and after the training programme. Another reason is to be able to explain programme failure should it occur. There are four training effects which can be evaluated:²⁹

- ❖ Reaction : Did trainees like the programme? Did they think it Worthwhile?
- ❖ Learning : Did the trainees learn the facts, principles and skills they were to learn?
- ❖ Behaviour : Did the trainees' behaviour on the self-employment change?
- ❖ Results : What final results were achieved?

Process of training:

Training programme is a process; this process involves different stages from the beginning to the end. The below mentioned figure will explain it.³⁰

Figure No: II. 08. Training Process.



Need and Importance of Self-Employment

Self-employment is a noble career. It gives self-satisfaction for self-work. Anyone can take-up Self-employment, but before that one should understand the Self-employment clearly. To take-up Self-employment clear vision and strong determination is essential. Nothing can be achieved under compulsion. It should come within the individual.

At present, technology has improved a lot, skilled manpower is available, infrastructure facilities are developed, thousands of financial institutions are available in order to provide financial assistance, several government and non-government organizations are been providing training and support, the demand for the products and services have also tremendously increased within the country and also at the international level. Therefore, more and more youths should engage in Self-employment. The Self-employment may be little risky, but if it is managed in a systematic way, it will be a better means of livelihood. It provides more Self-satisfaction and status in the society.

Effective agriculture is also one of the Self-employment. There are many opportunities to start Self-employment to make one's life. At present, youths are in search of wage employment. But it will not be available to all.

The wage or salaried job will not give full satisfaction and freedom. It is secured and less risky job. But one has to work under an employer. The employee cannot work according to his/her wish or desire, he/she should act according to the employer's wish. There is less scope for creative ideas and innovative skills. The personal development is also restricted. The income level is also determined. But for the Self-employment sky is the limit for the achievement and growth.

Why the Self-employment and Entrepreneurship necessary for today? Is it because the wage employment opportunities are dwindling faster or because government jobs are not available to all? The Self-employment and entrepreneurship are necessary, mainly because of that is sole reason of non-availability of wage earning jobs in the government or private sector. Clearly understanding the reasons and background enables us to develop interest and conviction as to what we are doing or what we want to do. The need and importance of self-employment arises due to following factors¹:

- ❖ For utilization of resources.
- ❖ To increase production and maintain quality.
- ❖ For optimum utilization of youth power.
- ❖ For economic freedom through work.
- ❖ To lead self sufficient life.
- ❖ For overall development of society.
- ❖ Government jobs are not available to all.
- ❖ In Self-employment, one will find a permanent way to lead one's life.
- ❖ Earning money or profit by providing essential services to the public.
- ❖ Along with the development of venture, the standard of life should also increase.
- ❖ To earn a place of respect in the society.
- ❖ To contribute to the production centre.
- ❖ To contribute to the national income of the country.
- ❖ To join hands in the development of the country.

Thus an entrepreneur should be helpful not only for himself but also to the society all around and to nation as a whole. The life of an entrepreneur becomes more meaningful if he earns money by providing good service to the customers.

Manoranjan Mohanty² described how the self-employment is the way for the development. Author says in early 1990s a good dividing line for the history of China's reforms and it hold good for Wuxi's story as well. During the 1980s the main focus was on rural reforms and in Wuxi the catalytic role which was played by the township and village enterprises. The commune system had been replaced by the Household Responsibility System under which land was contracted to households on a long-term basis for cultivation. The amount of land depends upon number of members in a household. The total cultivable land was equally distributed among the households. The family engaged only a part of its labour in agriculture and vast surplus labour was deployed in township and village enterprise. This development not only increased household income but also allowed the collectives who owned the enterprises to invest part of their profits in health, education and in improving agriculture itself. This pattern was radically changed after 1992 when the orientation of China's reforms was fixed on export-led growth. At present this Wuxi is one of the economic centres of China.

Poornima Chikarmane³ describes that wealth out of waste in the article 'The World of Waste Pickers'. The author describes that nature of work carried out by waste pickers, carry out free collection from waste containers and dumps and the itinerant waste buyers who purchase plastic scrap from households and establishments. Gill⁴ refers to the relationship between waste pickers and their respective panni dealers as a tied relationship. Gill provides a fascinating amount of the real market in plastic scrap located on the out skirts of Delhi, how it operates and the nuts and bolts of trading. She examines how prices are determined and kind of living the market offers to all those along the vertical form the waste pickers to different levels of dealers. Her findings reveal that the market is highly competitive and has many buyers as well as sellers so that no one is able to influence prices. This implies that the waste picking is also a means for life.

Gaurav Datt & Martin Ravallion⁵ also concentrates on the development of poorer section in his article 'Shining for the poor too?' The author revisits the findings of their part of research on poverty and growth of the National Sample survey available for the period since economic reforms began in 1991. They find that rate of poverty reduction has increased in the post-reform period compared to the previous 30 years period, although it is still too early to say, if this marks a new trend. This directly or indirectly implies that to reduce poverty, more people should be employed either in public or private or in noble self-employment.

"Sale of Innocence"⁶ The Crime of human trafficking involves two vulnerable sections among the poor and marginalized women and children. In India children are trafficked across the states and in relatively smaller numbers

to west countries particularly for forced labours domestic work and sexual exploitation. This is also due to unemployment prevailing in the state.

Roman Correa⁷ mentioned that unemployment in the East has continuously been greater than the west. East Germany suffered from unemployment at a rate of nearly 25% in 2005 and was as high in percentage terms as to unskilled employment in West Germany.

Vasant Desai⁸ expressed the small scale industries sector as an important segment of the Indian economy. It accounts for 95% of the industrial units, 40% of output of the manufacturing sectors 35% of the total exports and provides employment to round about 20 million persons. The sector covers a wide spectrum of industrial categorized under small tiny and ancillary segments. In fact, it encompasses the continuum of the artisans / handicrafts units at one end and modern production units with significant investments; on the other hand it produces a wide range of over 7500 products. More significantly from the point of view of nurturance of the industrial culture of the country, they act as a nursery for the development of entrepreneurial talent. The SSI sector has been receiving special attention from the policy makers in addressing its requirements, the credit facilities, marketing, and technology development fiscal or infrastructural support. SSI sector thus acts as a prime mover in pushing up the industrial growth and promoting to an overall economic growth. The educational environment and policy framework offer various opportunities for sustainable self-employment to ensure the contribution of the workforce to the industrial economy. The creation of Entrepreneurship, self-employment and enterprises provides a base for eradicating both unemployment and disguised unemployment.

C Paramasivan⁹ mentioned the importance of entrepreneurship in his article. SSI play a key role in our economic development which provides more employment opportunities, mobilization of small amount of capital, process of industrialization, utilization of local resources and reduce the regional imbalance of the country.

Jan Breman¹⁰ noticed that unorganized sectors need to be concentrated for employment and development. An informal economy perspective was in the final report which sums up the findings of the National Commission for enterprises in the unorganized sectors set up in September 2004 with the broad change to review the status of unorganized and informal sectors in India including the nature of enterprises, their size, spread and scope, magnitude of employment.

R Laxmi¹¹ mentioned that self-employment as an alternate employment and a means for the life of people when there is underemployment. Unlike city levels, where scope for employment is abundant it is a drought prone area

where people cannot depend purely all through the year. Moreover agriculture is based on its agro economic climatic conditions. Thus non-form activities like handicrafts, rope making, embroidery, catering services, repair shops and soft drinks stalls ect. give immense scope for women to earn their livelihood when they dont have any income through agricultural activities. Banks in association with NGOs give training to SHG (Self-Help Groups) members in all these activities. The Government encourages the SHG activities and in marketing their products.

Manoharan and P Selvamoorthy¹² described the performance of SSI in India as Small Scale Industries are small in term but play a significant role in the Indian economy. It is acknowledged by the government as, alongside agriculture, SSI is an important segment of the Indian economy. SSI is widely recognized as a powerful instrument for socio economic growth and balanced sectorial development. The SSI sector has emerged as vibrant and dynamic sector and as an engine of growth for present millennium. SSI units are supplementing and complementary to large and medium scale units and ancillary units. Considering the large employment level and backing of creation of new jobs inorder to provide employment to all the able hands today hopes are pinned on small scale sector. The government is making all efforts to provide conducive atmosphere, level playing ground and policy support as to unable the SSI sector to achieve higher level of production, exports and employment.

The constitution of India¹³ referred the “Right to Work” under directive principles of the State policy. Article 43 of constitution of India requires, elected government of the state to secure all its citizens work, a living wage, condition of work ensuring a decent standard life. It has been stressed under article 41 that the state shall, within the limits of it, economic capacity and developments make effective provision for securing the right to work.

S.P. Naganagoud and H.H Uliveppa¹⁴noticed the most important Socio-Economic rights that have drawn attention in recent years for the right to food and employment.

Arjun Y Pangannavar’s¹⁵ micro study on women SHG programme and rural poverty say that the central and state governments have implemented a series of self-employment and wage employment generation programmes in rural area for eradicating poverty. But these programmes are reduced to mere subsidy-giving programmes and by the by they have failed to provide safety nets like guaranteed employment, stable assured income and gender justice. So women empowerment issue has received more thrust and significance in rural development. Until unless and villages are free from poverty, the efforts for development of Indian economy are futile, fruitless

and rather burdensome. Thus the necessity for self-employment arises more and more.

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