

## A COMPARATIVE STUDY ON TRAINING EFFECTIVENESS OF RURAL DEVELOPMENT AND SELF-EMPLOYMENT TRAINING INSTITUTES IN KARNATAKA

**Prof.Mahaveera**

**Smt.Indiragandhi Govt First Grade Womens College – SAGARA**

### INTRODUCTION

Business provides enough opportunities for life. Commerce plays indispensable role in business. Business and Commerce has got more scope in the different fields of the world. Business is not merely purchase and sales of commodities and services, it also includes banking, transportation, communication, insurance, warehousing. Thus, business is the way for better life. The role of entrepreneurship or self-employment to earn livelihood and to provide livelihood for others plays very significant factor. The person who is engaged in business is the boss for himself. No need to depend upon others. Thus one requires proper knowledge, **training**, motivation, encouragement and self-confidence for conducting the business successfully to carry on in a most effective and efficient manner.

Unemployment is the most acute problem being faced by the youth today. Although several attempts to provide jobs in the organised sector, both public and private, have not been sufficient to cope up with the enormous numbers of job-seeking youth. The solution to this problem is to popularise, give all possible support and ensure that the maximum numbers of self-employment opportunities are made available to the youth who should be equipped to engage successfully in viable economic activities.

Training is an important element of business activities. The person, who is trained in an appropriate way, can do the work assigned to them in a systematic manner. To put right person to the right job, scientific method of selection is important, similarly to prepare right person to the right job, scientific and effective training is also essential. All the human beings are ready to work at any situations but they should know how to handle the situations. But they are lagging in the best possible method to perform business activities or to take up any other responsibilities. Thus effective training will help to conduct efficient work and also to take up self-employment.

Training is different from education. Education provides knowledge and information to do any work and to lead a life. Whereas training prepares people to perform particular job or responsibilities. The important element of training is job analysis and job description. Thus, without training one cannot work efficiently in his chosen profession or business.

An effective training is essential to become successful entrepreneur. Training is the act of increasing the knowledge and skills of a person for doing a particular job. Training should be distinguished from education. Education improves the knowledge and understanding. It is general in nature, but training is specific.

There are various agencies imparting training to the people to take-up self-employment and to become entrepreneurs. **Rural Development and Self-Employment Training Institutes (RUDSETI)** is one of such training institute catering to the needs of individuals to become best entrepreneurs in India. There are seven self-employment training institutes in Karnataka which are run by Rural Development and Self-Employment Training Institutes (RUDSETI).

Self-employment training refers to the learning process that involves acquiring the skills, knowledge, concepts or attitudes to increase confidence of the persons, so that; they can establish their own business unit. This will help in removing unemployment and poverty. Training improves the skills and knowledge of the persons, so that the person can start their own business.

In this scenario, the impact of training and its effectiveness on entrepreneurs and their Self-employment is essential. Training effectiveness refers to the degree to which trainees are able to learn and apply the knowledge and skills, which they have acquired in the training programme. The effectiveness of training depends upon such factors, like attitudes, interests, ability, willingness, values and expectations of the trainees and the training environment. The training programme will be more effective if the trainees are **eager to learn**<sup>1</sup> and if they are involved in the training. Further, contents of training programme, teaching methods, trainers' ability to teach well and their ability to motivate also determine the effectiveness of training.

Effective training thus includes creating people with qualities like competency and resourcefulness to conduct specific self-employment venture to generate revenue.<sup>2</sup>

The effective functioning of an individual depends upon the person's ability to perform their work at a satisfactory level and also their confidence and willingness to accept self-employment. The training institutes need to provide opportunities for training and provide an opportunity to the youths of the society to increase their knowledge, skills and abilities so as to perform the chosen business. An adequate and sound training and development programme increases the quality and improves the skills of the trainee to perform the chosen business activity. It aims to achieve long run survival and prosperity of the business.<sup>3</sup>

Today, "The myth that entrepreneurs are born and not made is no longer holds good". It is possible to assist an interested and motivated person to become successful entrepreneurs through a variety of training programmes and associated service activities. Training programme thus assumes great significance as they should cater to the requirements specifically to each person or of homogenous groups.<sup>4</sup>

It is widely accepted that persons interested to become entrepreneurs will be greatly helped if appropriate training and development programmes are made available to them. One can distinguish various levels of training by relating to the stages of development of a client along with the educational development continuum. However, it is also valid and safe to recognize the skill components that must comprise the sectors or areas of knowledge to help a person to become an effective self-employed trade's person or entrepreneur.<sup>5</sup>

No self- enterprise can get candidates who exactly match with the enterprise and its requirements. Hence, training is important to develop the individual and make them suitable to the self-employment. Training works towards value addition to the individual through human resource development institution i.e. training.<sup>6</sup>

Self-enterprise and person's requirements are not static; they change from time to time in view of technological advancement and changes in the society. Trained individuals would be valuable assets to the rural development. Individual efficiency, productivity, progress and development to a greater extent depend on training. If training is not provided where necessary, it may lead to performance failure of the entrepreneurs. Self-employment objectives like viability, stability and growth can also be achieved through training. Thus, training consists of developing competence, commitment, creativity and making of a successful entrepreneur.<sup>7</sup>

## Self-Employment

Government cannot provide employment opportunities to all the people. It becomes very difficult and also not possible. The promotion of self-employment is the duty of the government and non-government organisation. Thus, to make livelihood for one self-employment is highly essential.

Self-employment refers to occupation or career which is chosen by an individual without depending upon others. No boss for him, he is the boss for himself. No person to control or order him, he has to control himself. To engage in self-employment more self-confidence, motivation, training, encouragement and monetary supports are very essential.

The need of Self-employment is increasing day-by-day not only in Karnataka, but also in India and throughout the world. Both public and private sector are not able to provide employment opportunities for every individual. Therefore more and more people should engage themselves in Self-employment for the optimum use of resources. The resources are flinty in most of the countries. But the resources are underutilized. One who utilize their resources properly, become developed countries now.

“Instead of writing someone else’s account through wage employment after three to five years collegiate education, it is more meaningful to write one’s own account by embarking some Self-employment.” If the rural areas of the country are developed, then the country will develop to the maximum extent. Full employment opportunities should be made available to develop the rural areas. But at present, government is not able to provide employment for all. Private organizations are providing employment on the basis of their requirements and necessity. Thus, what about others? What they can do for their own life? Once they born, they can’t die due to unemployment or poverty. So self – employment is one of the great way for the people to lead the life with satisfaction. Unemployment and poverty go hand in hand. Self-employment is the biggest antidote for eradicating poverty and unrest in the society.

Today young youths want to become successful entrepreneurs. They cannot just wait for wage employment. They want to become their own boss. They have for look to self-employment as a means of respectable living in society.

Burning talents are hidden in rural areas. Large numbers of educated, unemployed and under-employed youths are in rural areas. Most of them have either passed or failed in the matriculation examination. These people are not lazy. They want to work. So, such people tend to migrate to cities with illusion to seek employment for the fulfilment of their desire. What they need is motivation and to take-up self-employment in their own areas by infusing entrepreneurial qualities coupled with help and guidance to establish their units.

Thus, the two progressive banks of the nation- Syndicate Bank and Canara Bank under the leadership of a great visionary and religious head Dr.D.Veerendra Heggade took initiative in mitigating the unemployment problem. The collective thinking gave concrete shape in providing an institutional framework in the form of **RUDSET Institute** in 1982 jointly by the following organization:

Shree Dharmasthala Manjunatheshwara Educational Trust. Ujire.

Canara Bank, Syndicate Bank, SARD Foundation & CBPJRD Trust.

The pious birth of Entrepreneurship Development Programmes imparting institute in the name of “**RURAL DEVELOPMENT AND SELF-EMPLOYMENT TRAINING INSTITUTE**” With its acronym RUDSETI nearby famous pilgrim centre and sacred place of Dharmasthala in Karnataka. Today it becomes replicable model for the benefit of unemployed youths across the country. RUDSET Institute is offering free, unique and intensive short-term residential self-employment training programmes with free food and accommodation. A practical orientation and rigorous training with escort service are some of the distinct features of RUDSET Institute.

At present there are seven RUDSETI units in Karnataka, two each RUDSETI units in Uttar Pradesh, Andra Pradesh and Rajasthan and one each RUDSETI units in Tamil Nadu, Kerala, Maharastra, Haryana & Delhi, Orissa, Punjab, Madhya Pradesh, West Bengal, Hajipur and Gujarath. Totally **24 RUDSETI units** are working in all over the country.

The RUDSET Institute Central Office or Central Secretariat is situated in Ujire-574240 D.K. District Karnataka.

The RUDSET Institute has covered a path of 28 glorious years and has shown excellent performance in the field of entrepreneurship development. The people have realized that the institute is a boon to this country and consider it as the Temple of knowledge. They strongly believe that RUDSETI is an abode of creating awareness in identifying hidden talents, creativity, strength, teaching art of good living and directing them towards not only to be self reliant, self-employed youth, but also in moulding their personality and making them good citizens of the country.

The Director, Joint Director and staff of the institute are the god gift to the trainees. The serene atmosphere, the selfless service rendered by the past and present Directors and staff, discipline, dedication and commitment towards work is widely appreciated by the general public. The institutes have reached the present level in entrepreneurship development due to the unstinted support of the sponsors and committed staffs who are serving in RUDSET institutes.

### **Vision of The Rudset Institutes**

With the great vision and confidence about the youth and for the purpose of the prosperity of the society.

- ❖ RUDSETI consider the youth as valuable human resource of the country to exploit the scope available in various avenues by launching the lucrative micro enterprises.
- ❖ Transformation of youth into productive assets by short duration investments.

### **Objectives of the Rudset Institutes**

- ❖ To build strong society.
- ❖ Identify Orient, Motivate, and Train and Assist the rural unemployment youth to take up self-employment ventures.
- ❖ To take-up research and development activities in Entrepreneurship and Rural Development.
- ❖ Train village level workers to work in rural development.
- ❖ Counselling and project consultancy

## Process of Rudseti's Self-Employment Training Programme

1. Identifying the type of self-employment.
  2. Planning the training programme.
  3. Selecting the proper method of training.
  4. Selecting the eminent trainer.
  5. Conducting the training programme.
  6. Evaluating the training programme and Follow-up system.
1. Identifying the type of self-employment.

The primary step of RUDSETI Self-Employment training is identifying the type of Self-Employment which the individual wants to undertake. Based on the requirement of the self-employment, the training programme is arranged.

### 2. Planning the training programme.

One of the important and essential parts of the Self-Employment training programme is planning. Planning means 'thinking before doing'. It refers to deciding in advance what should be done.

In RUDSETI Self-Employment training programme also, everything is decided well in advance, what is to be done in the training? To whom training to be conducted? What should be the duration of training? How & Where to conduct training at different levels? Thus, an effective plan of training programme will answer for all the above questions.

### 3. Selecting the proper method of training.

RUDSETI will select the proper method of training. The institute selects the method of training on the basis of nature of Self-Employment to be undertaken. It may be lecture oriented or practical oriented. Practical oriented is more effective than lecture oriented. Moreover it includes group discussion, case study etc. Overhead projectors, LCD projects, power point presentation are also being utilised.

### 4. Selecting the eminent trainer.

The success or failure of a training programme depends upon the trainer, who conducts training programme.

Thus, RUDSETI will select eminent trainers for every Self-Employment training programmes. It includes some important qualities the trainers should have. They are:

- a. Adequate knowledge and experience.
- b. Effective communication skill.
- c. Language ability.
- d. Capacity to understand the trainees.

### 5. Conducting the training programme.

RUDSETI conducts the training programme on right time at right place. Each day, each session of the training programme starts on prescribed date and time. Punctuality and discipline are maintained strictly. It is not a one-way communication. It gives more scope to have discussion or two way communications. Trainees are given an opportunity to express their opinions. Training programme is conducted according to the plan and with the selected methods of training. On the first day of the training programme, a copy of time table is



provided to each trainee. The effective and attractive training programme is being conducted by experienced trainers of RUDSETI.

The widely acclaimed effectiveness of RUDSET Institute's training is attributed to the unique training methodology adopted. Through structured psychological exercises, the participants are stimulated to shed inhibitions and develop interest in learning. Besides lecture sessions, behaviour simulation games, exercises, field visits, hands on experience, interaction with role models, interface with supporting system, group discussions, role play, case study etc. are effectively used in the training. Training sessions are conducted in vernacular languages.

#### 6. Evaluating the Training Programme & Follow-up system.

After the conduction of Self-Employment training programme or Entrepreneurship Development training programme, the effectiveness of training is evaluated. It will be done with the help of interview of trainees or by the way of supply of questionnaire to the trainees. The effect of training will reflect with the performance of the trained persons. The evaluation will also be used for the further improvements. The great job is being done and doing by the RUDSETI is follow-up of trained individuals. RUDSETI will write letters to the individuals, meets them personally in order to check their improvements.

Therefore, RUDSETI Self-Employment training programme or Entrepreneurship Development training programme is more useful for the development of trainee's knowledge and to boost up their performance in Self-employed ventures. Because of increased population the need for self-employment is coming-up day-by-day. Therefore study of training effectiveness of Rural Development and Self-Employment Training Institutes are relevant. So this study is being undertaken with the following objectives:

#### Objectives of the Study

It is difficult to become successful entrepreneur without proper training. Only few are born with entrepreneurial skills, but most of them become entrepreneurs only after effective training.

The major objectives of the study:

1. To study the working of Self-Employment Training institutes.
2. To examine the training effectiveness on self employed entrepreneurs.
3. To conduct a comparative study of training effectiveness in different districts of Karnataka.
4. To evaluate the usefulness of various training methods- Pre training methods and Post-training methods.
5. To study the importance, usefulness and necessity of self-employment in Karnataka.

#### Methodology and Source of Data

This study is based on the comparative case study of Training Effectiveness on Rural Development and Self-Employment Training Institutes (RUDSETI) by taking seven RUDSETI units of Dakshina Kannada, Udupi, Dharwad, Chithradurga, Mysore, Bijapur and Bangalore rural districts of Karnataka.

A structured questionnaire is used to collect the necessary primary data from the selected trained entrepreneurs of seven RUDSETI units of seven districts of Karnataka. The study is based on primary data and available secondary data. Primary data is gathered through

visiting RUDSETI units in Karnataka and meeting the respondents selected for the study. A structured questionnaire<sup>9</sup> was prepared and used to collect the data and wherever necessary personal interview and expert's consultancy is undertaken.

The first part of the questionnaire consists the background information of the entrepreneurs such as name, age, gender, and educational qualification, occupation of the family, family income, present occupation, place of living and place of occupation.

The second part of the questionnaire consists motivational factors to start self-employment namely, factors influencing for undertaking self-employment, need of training to take-up self-employment.

The third part of the questionnaire consists perception on training, duration of training, satisfaction level of classroom and practical or field training, training impact on self-confidence, content of inputs in training, post training evaluation, follow-up system, institutional discipline, staff co-operation and infrastructure facilities.

The forth part of the questionnaire consists the business performance of entrepreneurs. It includes type of business, initial investment, institutional financial assistance, initial difficulties and challenges faced by the entrepreneurs and monthly earnings of the entrepreneurs.

The last part of the questionnaire consists the information and opinion of the entrepreneurs about their areas. It also includes co-operation and encouragement for self-employment, availability of sufficient raw materials, financial assistance, the level of education, and level of infrastructure facilities, purchasing power and nature of consumers and need for an entrepreneur to be successful in business.

The structured questionnaire was distributed to the respondents personally by the investigator for collecting the subsequent data. Clarifications were offered wherever necessary. Formal as well as informal discussions were held with the respondents.

This study is based on the representative sample<sup>10</sup> of 300 entrepreneurs of seven districts of Karnataka. The total sample size is divided into 7 districts based on the total population in the districts. The information collected reflects the true opinion of the entrepreneurs' and is reliable.

The field survey type of research was undertaken to arrive at the conclusions relating to various aspects of entrepreneurial self-enterprises and training effectiveness in seven districts of Karnataka.

Both primary<sup>11</sup> and secondary<sup>12</sup> data were made use in the preparation of the report. The primary data were collected through questionnaire directly administered to the entrepreneurs of the seven districts of Karnataka which come under research area.

**Source of Data Collection**

| Name of the Institution           | Type of Information                                   | Category of Data                             |
|-----------------------------------|---|--|
| RUDSETI-Ujire<br>Dakshina Kannada | Entrepreneurial<br>Development<br>Programmes (EDP)    | Annual reports and<br>meetings with Director |
| RUDSETI-Brahmavara<br>Udupi       | Entrepreneurial<br>Development<br>Programmes (EDP)    | Annual reports and<br>meetings with Director |
| RUDSETI- Dharwad                  | Entrepreneurial<br>Development<br>Programmes (EDP)    | Annual reports and<br>meetings with Director |
| RUDSETI-Hinkal<br>Mysore          | Entrepreneurial<br>Development<br>Programmes (EDP)    | Annual reports and<br>meetings with Director |
| RUDSETI-Bijapur                   | Entrepreneurial<br>Development<br>Programmes (EDP)    | Annual reports and<br>meetings with Director |
| RUDSETI-Chithradurga              | Entrepreneurial<br>Development<br>Programmes (EDP)    | Annual reports and<br>meetings with Director |
| RUDSETI-<br>Bangalore Rural       | Entrepreneurial<br>Development<br>Programmes (EDP)    | Annual reports and<br>meetings with Director |
| 300 Entrepreneurs                 | On enterprise<br>creation, training and<br>perception | Primary Data                                 |
| Kuvempu University-<br>Shimoga    | Reference Materials-<br>Literature Review.            | Secondary Data                               |



|  |  |                |
|--|--|----------------|
| L B College, (Autonomous)<br>Library, Sagar. | Reference Materials-<br>Literature Review. | Secondary Data |
| University of Kerala<br>Trivandrum           | Reference Materials-<br>Literature Review. | Secondary Data |
| Internet                                     | Recent Developments<br>related to topic    | Secondary Data |

Available journals, source of books and RUDSETI annual reports and other published materials in this regard were reviewed as a source of secondary data. Premier institutes and universities were visited for referring and literature review.

The data collected were drawn into the suitable tables to arrive at the conclusions. For the empirical analysis descriptive statistical tools such as percentage, average, and chi-square test have been applied.

Following hypothesis<sup>13</sup> were formulated and stated to focus the segments specified in the questionnaire.

Ho1 There is influence of training to start self-employment units.

Ho2 There is relationship between contents of inputs provided in training and their business performance.

Ho3 There is relationship between educational background of entrepreneurs and their monthly earnings from self-employment.

**Decision:** where the  $\chi^2$  (Chi-Square calculated value) value is less than the Chi-square table value at 5% level of significance, the hypothesis is accepted and it denotes the existence of relationship.

Where the  $\chi^2$  (Chi-Square calculated value) value is greater than the Chi-square table value at 5% level of significance, the hypothesis is rejected and it denotes the existence of no relationship.

### Nature and Scope of Study

Training is essential to start self-employment. A systematically arranged training programme is necessary for the entrepreneurs to establish their business units. Training must be effective and efficient, so that, the entrepreneurs will be benefited and also the society at large.

This study concentrated on those RUDSET institutes and self-employed business units located in the districts of Dakshina Kannada, Udupi, Dharwad, Chithradurga, Bijapur, Bangalore Rural and Mysore of Karnataka.

The central theme of study focused on training effectiveness in rural development and self-employment institutes in Karnataka. Through the questionnaire, Researcher sought required information by personally meeting the respondents. So the findings of this study and the conclusions are drawn based on the analysis of the information provided to the researcher through the questionnaire and also through the formal interviews.

Inferences and conclusions of this research study reveal the overall perception of the entrepreneurs in making an enterprise and training effectiveness required to sustain the growth of the enterprise. The study also covers training effectiveness for the entrepreneurial performance and the impact of efficiency of Entrepreneurship training programmes conducted by RUDSET Institutes in Karnataka from the entrepreneurs' point of view.

While the informants, expressing their views on the issues covered in the questionnaire, where opinions are involved, the probability of an element of subjectivity creeping into the responses cannot be ruled out.

But, an attempt is made to reduce such effects by meeting the respondents and offering clarifications.

There is more need for self-employment in Karnataka. Therefore, Training has an indispensable role to play for creating new entrepreneurs. In this regard, RUDSET institutes in Karnataka are arranging effective training programmes for those who intend to become the entrepreneurs and institute will help such people to stand on their own legs.

### Statistical Tools

Average, percentage and Chi-square test are used in the study for the comparative analysis and testing of hypothesis.

**Chi-square ( $\chi^2$ )** test is the most using statistical tool in the testing of hypothesis. The Chi-square distribution has many uses in the field of testing hypothesis. Some of them are-

- To test whether a population has given variance.
- To test 'goodness of fit' of atheoretical distribution to a observed distribution.
- To test independence of attributes in a contingency table.

Chi-square test formula is  $\chi^2 = \frac{(O - E)^2}{E}$

$$\chi^2 = \sum \frac{(\text{Observed frequency} - \text{Expected frequency})^2}{\text{Expected frequency}}$$

For recommending a viable and acceptable model, mathematical models are envisaged and used in the study.

### Relevance and Contributions of the Study

The study intended to compare training effectiveness of RUDSET institutes in Karnataka on a regional basis. The study may help for the further development of RUDSETI activities. It also reveals how the self-employed or entrepreneurs are trained and motivated by RUDSETI.

The study will contribute for both; The RUDSETI, self-employed and those willing to be the entrepreneurs.

The study will also contribute for the further areas of research on Training, Training effectiveness and also on RUDSETI.

Thus, the study has become more relevant in the present scenario of global opportunities and challenges.

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