

**Reasons for Poor Performance of Entrepreneurship Development Programmes
Conducted in the State of J&K**

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Abstract

Entrepreneurship Development Programmes (EDPs) were on the economic agenda of all govts. all over the country including the state of J&K. So far large number of EDPs were conducted in J & K in which thousands of persons were trained. But the research has revealed that these programmes by and large have failed in their stated goals. Why EDPs have failed in generating entrepreneurship is the pertinent research question. The factors that have contributed to the poor outcome of EDPs in J & K State has been the subject matter of the current study. To draw the meaningful inferences about the subject matter, the data collected both from primary and secondary sources has been analyzed by making use of multiple statistical tools/ techniques mainly parametric tests viz; Z Test Standard Deviation & percentages. The study has revealed that inappropriate selection strategies, poor quality of trainers, inappropriate training methodology, ambiguity in the focus of the programme, lacy of post training support system and role failure of financial & service organizations.

Keywords: *Entrepreneurship Development Programmes (EDPs), Startup Rate, Blocked Enterprises.*

Introduction

Earlier economists and sociologists were of the opinion that entrepreneurs are born and not made. However, this is regarded as simply a myth today. In this regard, one of the architects of EDPs in Gujarat comments; “*Over the years, the programmes have demolished the erstwhile belief that entrepreneurs are born and not made*”. Sugmar (1996) asserts that the experiments of last few decades have shown that it is possible to develop entrepreneurs through planned efforts. Entrepreneurship is a talent, a native genius and born insight. Unless this native and born insight is awakened, sharpened and exposed to new and emerging realities, the talent is unlikely to act as a spark plug to transform economic scene and bring new dynamism in it. McClelland (1961) observed that suitable training could provide the necessary motivation and inputs for being successful entrepreneurs. In this regard he had conducted an experimental study in India called as ‘*Kakinanda Experiment*’ to see whether need for achievement motivation which has been found to be critical for successful entrepreneurial pursuits. The study had revealed that the trainees displayed a more active behavior, worked long hours and started new ventures. Another study in India was conducted by Malcolm Harper and Vijay Mahajan in which 126 business owners with entrepreneurial training and 120 business owners without training have been studied which had revealed that trained entrepreneurs broke-even significantly and had lower capital output ratios. Although these are important findings, yet it would be wrong to conclude that people with high need of achievement motivation would make a good entrepreneur. The other factors notably talent, attitude & skill have to be there as well, which like motivation can be nurtured. The fostering of healthy entrepreneurship therefore,

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requires that the entrepreneurial talent must be searched, conditioned for the new responsibilities, encouraged for the vital roles and protected till it can be on its own (Butt, 2005). It is in view of this fact entrepreneurship development programs have been universally considered to be important vehicle for motivating and developing entrepreneurs to take calculated plunge in industrial entrepreneurship.

Need for the Study

Like other parts of the country, the policy makers in Jammu & Kashmir were well aware about the socio-economic significance of EDPs and accordingly accorded great significance to the policy of promoting entrepreneurship. In the recent past it has taken a major initiative towards entrepreneurship development by establishing its own Entrepreneurship Development Institute (J&KEDI). During the period under study i.e 2004-2010 J & K EDI and other agencies have conducted around 76 EDPs in the state but these programmes were found less effective as compared to the programmes conducted in other parts of the country on all parameters. The start-up rate which is one of the important indicators of the effectiveness of EDPs in the state has been found only 16.68 percent which is far below the national average rate of 31.97 percent. The other more revealing indicator of the effectiveness of EDPs is the survival, growth and financial performance of the enterprises launched by the trained entrepreneurs. With regard to both of these indicators, statistically no significant difference has been found between the trained entrepreneurs and the entrepreneurs belonging to the control group indicating thereby that attending the EDP makes little or no difference. This in other words means that the EDPs conducted during the period under reference have failed in their stated goal of generating sustainable and healthy entrepreneurship in the state.

The poor performance of EDPs conducted in the state is a worrisome factor as such, call for a detailed study so as to unveil the reasons responsible for unsatisfactory performance of the sample EDPs conducted in the state during the period under study. So far no worthwhile study has been conducted to go into the factors that have impeded the effectiveness of EDPs. To fill in this research gap, the present study has been undertaken.

Review of Related Literature

The research on different aspects of EDPs has gained momentum owing to the growing impetus towards entrepreneurship by the govts across the globe as one of the strategies to deal with the problem of growing unemployment. However, the research on evaluation of EDPs is sparse while the literature is only a few decades old. Most of the research is fragmented and exploratory in nature, based on the general and personal opinions, thus lacking empirical evidences. Studies available on the evaluation of EDPs vary from individual researches to organizational level studies. Review of these studies becomes all the more important to summarize the findings and identify research gaps to be explored in future.

Malcolm Harper (1985) on the basis of an empirical study of 53 EDPs argued that identification and selection of a competent person is critical for achieving better results from EDPs. Patel V.G (1985), focused on the Indian based EDPs and has found that the selection procedure based on behavioral analysis was more effective in identifying potential entrepreneurs as against the interview method. His findings have emphatically revealed that the success rate of EDPs in terms of start-up rate was as high as 55 percent in case of the EDPs which relied on the selection based on behavioral analysis as compared to 17 percent of success rate among the persons selected through interview method. HAWAII Entrepreneurship Development Institute also conducted a study on the pre-training activity of EDPs whose

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finding with regard to the impact of selection methods on start-up rate was in conformity with the findings of V. G. Patel. The institute has found that the selection based on behavioral analysis of applicants was a better choice as compared to traditional technique of interviewing.

McClelland, who has done a pioneering work in the field of entrepreneurship, argues that '*Achievement Motivation*' is the most important personal entrepreneurial trait. In this regard McClelland and Winter (1969) conducted an experimental study in India to see if achievement motivation could be induced through training which has revealed that the trainees displayed an active behavior, worked long hours and have shown greater urge to start an enterprise after attending EDPs. A similar study was conducted by Ove. C. Hansemark (1988) to see the impact of achievement motivation and locus of control and the study has revealed that statistically a significant difference in achievement motivation and locus of control among the two groups participating in EDPs, while controlled group showed no change. Other studies have also revealed that EDPs do have a positive impact in enhancing the characteristics of achievement motivation thereby increases the likelihood of venture creation e.g. Miron (1979), Alschuler (1969), Utterback and Reitberger (1982) and Ehrlich. et .al (2000). Calcutta Self-Employment Centre (1974) monitored several EDPs in India with the purpose to assess how far project identification and preparation of its report during the training bears impact on the success of EDPs and has found that EDPs lose its purpose if the program is not preceded by helping the participants in the identification of viable business ideas & in the preparation of a project report. Similar type of study was conducted by the Bangladesh Management Development Centre (1981) which has reported that 74.5 percent of the EDP trained people have come-up successfully with project reports and 59 percent of the projects identified by these EDP trained persons have been found viable.

Foegel and Daniel (1994) studied various environmental issues influencing performance of EDPs viz; opportunities, ability to enterprise and propensity to enterprise & for this purpose they have considered the sum of ability to enterprise and propensity to enterprise as two main components for venture creation. On the basis of their study, they have argued that an EDP will be redundant if offered, short of ability to enterprise and propensity to enterprise. They further argued that the opportunities offered by the government, the administrative rules and procedures plus the funding schemes directly influence the success or failure of EDPs and if any of these are liberal or stringent, it shall either stimulate or lower the confidence of entrepreneurs.

Dana (2001) evaluated several EDPs conducted in different countries belonging to Asia and on the basis of the findings of the study, he had concluded that it would be wrong to assume that a similar training program can be effective in every state/country but the fact is that every other state not to speak of a country differs socio-economically, politically, geographically and culturally as such, to be successful there is a need to customize EDPs to suit to the requirements of a target group.

The other important component of EDP is management skills which have also been highlighted by Petreson, Kozmetskey and Ridgway (1983). They took a small sample of 100 entrepreneurs in USA and have found that the lack of focus on developing managerial skills in EDPs have led the trainees to a point of failure in managing their enterprises. This finding accords with the findings of other studies like; Ibrahim and Goodwin (1986), & T. N. Sinha (1996) which have found that entrepreneurial and managerial skills are critical for planning and managing enterprises.

The research on EDPs has also focused on the study of relationship between training approaches and methodologies & success rate. Gibb and Cotton (1998) conducted a study to find the extent of influence training approaches and methodologies cause on the success of EDPs. The study had revealed that the institutions which have exposed the trainees to the field experiences and case studies proved more successful in developing the entrepreneurial and management skills of the trainees. Similar finding was confirmed by the studies like; Fowler (1999), & Volkman (2004)

Post training counseling & support is considered equally important for enterprise creation. How far this is a reality, has been studied by many researchers. For example, McMullan (2000) studied whether post-training support in terms of counseling etc. has any role in turning EDPs successful. The study has revealed that the sample trainees who had access to post-training support started their businesses and eventually had higher than expected rates of survival & growth than those without access to post training support. In this regard, Bird (1988), Hansen and Wortman (1989), & Chrisman and Stinchcombe (1965) argued that early-stage counseling can be extremely important because the events that occur at a pre-start up stage and start-up stage are frustrating for entrepreneurs and counseling at the initial stage stimulates the confidence of trainees.

The most comprehensive study on the evaluation of EDPs in India was conducted by Dinesh Awasthi and Jose Sebastian (1998). Their study has revealed that the EDPs conducted in the country have succeeded in enterprise creation though not to the extent expected. For not having fully succeeded in realizing goals of EDPs in the country, improper selection process, lack of comprehensive training, inadequate follow-up and lack of post-training support have been found to have constrained the effectiveness of EDPs.

A thorough scan of the various studies conducted in India brings to forth some major limitations. For example, a study conducted by Gaikward et al (1974) did not touch some of the major components of EDPs viz; the number of ventures set-up by the trained entrepreneurs and their performance. Other studies for example those of SBI (1987) and Small Industry Extension & Training Institute, Hyderabad (1997) have a limited focus while the former covered some major components of EDPs like; performance of units started by trained entrepreneurs. The later study reviewed only the organizational issues and had failed to cover in detail the programme related issues. Also, studies of Patel (1986) & Singh (1990) were confined to specific objectives only. Several other studies including those of Awasthi & Sebastian (1992), Nubler (1991), North-eastern Technical Consultancy organization (1996), Harper & Mahajan (1995), National Institute of Small industry Extension & Training (1997), Maliu (1986), attempted to measure effectiveness of EDPs by comparing the performance of the trained entrepreneurs with those of non-trained entrepreneurs without any attempt to unravel the factors responsible for the poor performance of concerned EDPs. An effort was also made by Dinesh Awasthi and Jose Sebastian (1998), to study the inter-state and inter-organizational variations in the performance of EDPs, however, it did not cover all the states and the organizations involved in the conduct of EDPs in India. On the other hand, many other studies were descriptive in nature, thus lacking empirical evidence.

Objectives of the study

The present study is aimed with the following specific objectives:

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- To identify the factors that are responsible for the poor performance of EDPs conducted in the state during the period under study.
- To draw the meaningful conclusions with regard to the outcome of EDPs conducted in the state and suggest measures to improve upon the effectiveness of EDPs in the state in particular and the country in general.

Hypotheses

H1: Poor performance of EDPs in the state is largely due to the failure on the part of ED Organizations in creating awareness, using systematic selection procedures in selecting the trainees, and providing post-training consultancy services.

H2: Effectiveness of EDPs in the state have also been the causality of the role failure of various financial and service organization operating in the environment of Small scale industries.

H3: Training methodology, Training inputs and the competence and motivation of trainers are assumed to have little or no impact in the poor performance of EDPs in the state.

Scope & Reference Period

The study covers all EDPs conducted by different agencies in the state during the period under reference except the programs conducted under TRYSEM, RLEGP, JRY and PMRY schemes. This has been done owing to the fact that the aim of these schemes is to enable the beneficiaries to undertake some livelihood activity, that too of an ordinary nature rather than a true industrial activity which requires entrepreneurial skills for success. Six years data has been referred in the study starting from 2010-2016. Only five years of time period has been taken for the reason that large number of EDPs have being found to have been conducted in the state during the said period.

Research Materials & Methods

To test the hypothesis laid down for the present study, the data on different dimensions of EDPs was collected both from primary and secondary sources, however, the study is mainly based on primary data. The secondary data on number of EDPs conducted during the period under study has been collected from published and unpublished documents. Further, the data on growth indicators and financial performance has been collected from both the trained entrepreneurs and the entrepreneurs belonging to the matched group.

For output-input analysis which aims at assessing the effectiveness of EDPs in terms of start-up rate etc. and the factors that are responsible for the failure or success of EDPs in their stated goals, field study was conducted. For this purpose, a questionnaire was prepared and administered to the respondent's viz. EDP trainees. The discussions were also held with the trainers, officers of entrepreneurship development organizations, non-trained entrepreneurs, officers of industrial and promotional organizations, banks, District Industries Centre (DICs) and State Financial Corporation in order to gain systematic understanding about the factors responsible for the poor performance of EDPs.

In all two questionnaires were prepared to generate data required for achieving the objectives of the study. One questionnaire was meant for trained entrepreneurs and the other was prepared for the matched group entrepreneurs. Among other things, the questionnaire

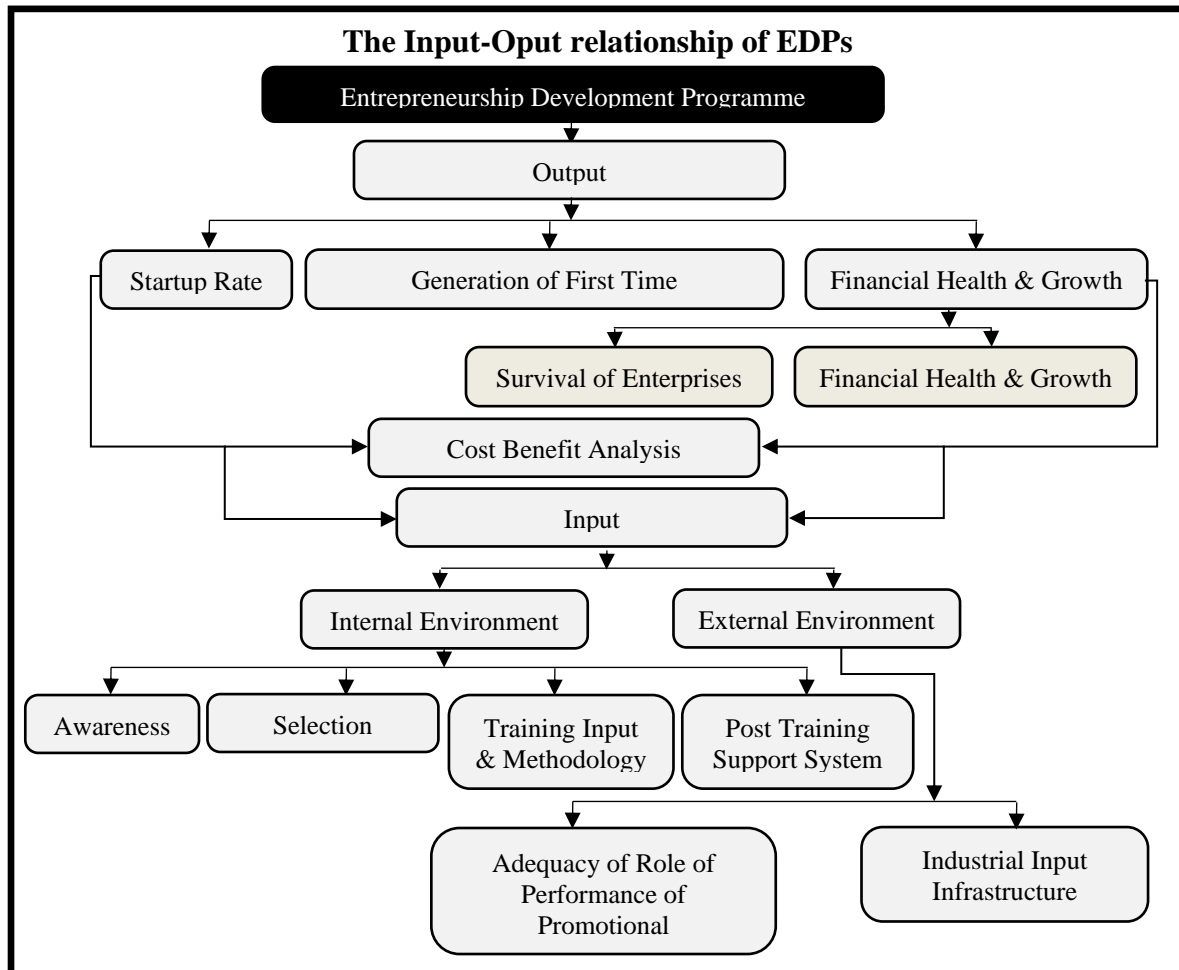


Fig 3.1 Schematic Flow Chart of EDPs indicating Input-Output Relationship.

meant for trained entrepreneurs was designed to generate data both about the effectiveness of the EDPs under reference in terms of enterprise creation, their sustainability and financial performance and the factors responsible for their poor performance.

Selection of Evaluation Parameters

To know the factors that have actually led to a success or failure of EDPs. The output of EDPs depends upon the inputs that go into the EDP. As such to unravel the reasons responsible for the unsatisfactory performance of EDPs, there is a need to critically analyze the different inputs that generally go into the EDPs. It is an universally accepted fact that the outcome of EDPs depends upon the quality of various inputs like, Entrepreneurial Awareness, Selection Strategies, Training Methodology, Training Inputs, Post-training Support/Services and also on the efficiency of support system that has been created to promote and regulate the healthy and orderly industrialization in the state. It is in view of the above fact, the following inputs that go into EDPs have been critically analyzed to unearth where the problem lies. The input-output relationship of EDPs is highlighted in the figure given above.

Sample Design

During the period under study EDPs were conducted by different agencies in the state in which, 2,909 persons were trained. In order to assess the effectiveness of sample EDPs in terms of enterprise creation, all the traceable beneficiaries were contacted on phone. For this purpose, a list of all trainees along with their contact numbers was obtained from the Entrepreneurship Development Organizations. It was possible to contact around 82.76% of the trained persons which by all means is a significant number. For seeking information and opinions about the other aspects about the effectiveness of EDPs and also for identifying the factors responsible for poor performance of EDPs, a reasonable sample of the universe was studied. In order to provide an equal opportunity to every unit of the universe to get selected for the study, a stratified random sampling procedure was followed. The universe of the study was stratified into following strata.

- Trained and Non- trained entrepreneurs.
- Trainers and top executives of entrepreneurship development organizations
- Officers of banks and promotional organizations operating in the environment of small scale industries in the state.

For the purpose of sampling, list of each group of respondents was prepared and then on the basis of stratified proportionate random sampling, a reasonable samples from the population of each group was taken for the present study.

In case of trained entrepreneurs, questionnaires were administered to a sample of 15 percent of the total respondents who were selected using stratified random sampling technique. Besides, the opinions of 12 officers and 21 trainers involved in the process of EDPs were also obtained through an unstructured interview schedules. The data so collected from various groups of respondents has been critically analyzed with the help of percentage statistics.

Results and Discussions

Entrepreneurial Awareness

It is a fact that the state does not enjoy historical legacies in industrial entrepreneurship and at the same time, the educated and enterprising youth are heavily oriented towards white collared jobs particularly government jobs. Further, it is generally believed that the state particularly Kashmir division does not have a potential for industrialization. All these facts place a greater emphasis on the role of entrepreneurial awareness programmes in the process of creating sustainable and healthy entrepreneurship in the state. The entrepreneurship awareness programmes are needed on the one hand help in defeating the wrong beliefs about not having the potential for industrial entrepreneurship in the state and on the other hand educate the enterprising youth about the significance of entrepreneurship as a career and various potential avenues that exist in the state. Above all entrepreneurship awareness programmes enables to create a zeal and motivation among the potential entrepreneurs towards industrial entrepreneurship.

The various agencies responsible for creating entrepreneurship in the state are fully aware of this fact and have accordingly conducted number of awareness programmes. The J&K Entrepreneurship Development Institute has organized awareness camps across the length and breadth of the state which were attended by thousands of person's particularly educated youth. But the question is how far these awareness programmes have been successful in achieving its

stated goals. The fact is that these programmes have grossly failed to create a zeal and zest for entrepreneurship in the state. This is evident from the fact that out of the total figure of 2909 participants of various EDPs conducted in the state during the period under study, less than 1 percent of these participants have attended EDPs. As can be seen from table 1 that around 30.32 percent of the EDP participants have stated to have joined EDP either on the advice of peers or friends. The other important fact that becomes evident from the said table is that 68.10 percent of the trained entrepreneurs have joined EDPs after seeing advertisements straight away. This in other words indicates that majority of the participants to various EDPs conducted during the period under study have joined the various programmes not because of awareness programmes conducted in the state, which is indicative of the fact that awareness programmes have failed in educating and motivating the youth towards entrepreneurship. The failure on the part of entrepreneurship development organizations in creating achievement motivation among the educated youth towards entrepreneurship is to some extent responsible for the failure of EDPs to create more entrepreneurs.

Whatever awareness programmes were conducted in the state; most of these programmes were poorly packaged as such, failed to encourage youth towards entrepreneurship. It is surprising that most of the programmes were conducted in higher secondary schools which by no means are an ideal places for conducting awareness campaigns. Further the need to aware target groups on continuous basis which has been overlooked has resulted in the failure of such awareness programmes in achieving their stated goals, as such we may conclude the acceptance of Hypothesis H1.

Table 5.1 Motivating Factors to Attend EDPs

Factors	Number of Participants (N=376)
On the advice of peers/friends	114 (30.32)
Advertisement	259 (68.10)
Entrepreneurship Awareness Programmes	3 (0.80)

Note: Parenthesis indicating percentage to total.

Source: Primary data

Selection Strategies

Entrepreneurship is considered a challenging and a quite demanding job. It is in view of this fact the entrepreneurship is not considered everybody's domain. In this regard, Bolton (2001) on the basis of his research on engineering graduates at Cambridge University concluded that entrepreneurs are not certainly like most of us but are minority groups who possess entrepreneurial competence. M. Scott of Sterling University conducted a rigorous assessment of the population at large and came with a finding that 10-15 percent people are potential entrepreneurs. It becomes clear from these research findings that every person cannot be a potential entrepreneur rather very few in a society have a potential to become successful

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entrepreneurs. As such in the process of entrepreneurship development the need is to identify the potential entrepreneurs who can be trained and developed into capable entrepreneurs and finally protected in the initial stages of enterprise creation and growth from the onslaughts of unnerving challenges of business environment.

World-wide selection strategies and techniques were developed to select right type of persons for EDPs, but the most important techniques include; The Mcber System, The Indian System, The HETADI Method and the Approach evolved by Pareek and Rao. The Indian System is a three stage selection system which involves announcement and advertisement, use of well designed application form with scoring manual and use of psychological tests. However, Mcber System is considered more useful selection system which consists of the following steps:

- Identification of job competencies of the entrepreneurs or small enterprise managers.
- Use of operant method selection.
- Use of behavioral event interview.
- Use of Thematic Analysis in interview and comparing interview data with competency model.

Keeping in view the usefulness of well designed selection procedures in selecting the persons who have the potential to become successful entrepreneurs, Entrepreneurship Development Organizations all over the world are either simple or sophisticated selection methods but the Entrepreneurship Development Organizations in the country in general and the state in particular are using either crude or no selection process, leaving EDPs open for all even to those who have no aim or capacity to choose entrepreneurship as a career. Generally, applications are invited for EDPs and at times interviews are conducted without any definite purpose. The analysis of data has revealed that the people having no interest for entrepreneurship constituted a good percentage of participants to various EDPs conducted in the state during the period under study, as can be seen from table 2 which details out the data about the reasons for attending EDPs.

Table 2: Reasons for Attending Entrepreneurship Development Programmes During 2004-2008

Reasons	Starters (N=179)	Non Starters (N=197)
Desire to become an entrepreneur	143 (80.08)	26 (13.00)
To get a certificate	Nil (0.00)	119 (60.00)
Others	36 (20.01)	52 (26.00)

Note: starters here include those trainees who have set-up their enterprises

Source: Primary data

From the data detailed out in the above table, it becomes clear that 60 percent of sample non-starter trainees have attended EDPs either to get a certificate or for the reasons other than to become an entrepreneur. As compared to this, in case of the trainees who have started their enterprises none has attended EDPs for the purpose of simply getting a certificate, but most of

them i.e.80.08 percent have been found to have attended EDPs with a reason to become an entrepreneur. As such, this is indicative of the fact that EDPs in the state were also marred by the failure on part of the EDI organizations to evolve a well designed selection procedures. As becomes clear from the table that none of the trainees who have attended EDPs for the reason other than assuming entrepreneurship neither have set-up their enterprises nor made any effort towards enterprise creation after attending EDPs. Conversely, it becomes clear from the above table that those who have attended EDPs with a definite goal of assuming entrepreneurship, most of them have succeeded in setting up their own enterprises or have attempted to launch their enterprises. The important inference that emerges from the above discussion is that the failure of EDPs conducted in the state during the period under study in terms of start-up rate can also be attributed to the policy of keeping EDPs open for every Tom, Dicken and Harry rather than evolving a scientific selection procedure. This finding corresponds with the hypothesis laid for this variable.

Training and Development

The most important component of an EDP is the training and development. It is in view of this fact, the start-up rate and particularly the performance of enterprises set up by the trained entrepreneurs to a great extent is being considered dependent upon the quality of training imparted. So to derive maximum from the EDPs, it becomes necessary to design training programmes in such a way that would meet the specific needs of the trainees and also evolve such a training methodology that passes on the knowledge and skill in a most effective manner i.e. motivates participants to become entrepreneurs and develops their knowledge and skills about different facets of entrepreneurship.

The training programme generally involves creating zeal and zest towards entrepreneurship; educating about enterprise planning and development and management of an enterprise. The first component focuses on creating achievement motivation among participants towards entrepreneurship and more importantly to develop/sharpen traits considered essential for entrepreneurial success. The enterprise planning and development component involves helping the participants to identify viable business opportunities and educating them how to plan and organize an enterprise on sound lines. The third component aims at developing managerial skills of the participants so as to enable them to evolve best management practices to create and deliver superior value which is the only '*Management Mantra*' for achieving better results. All the three elements of EDPs are important for churning entrepreneurs with great motivation, entrepreneurial skills and abilities to manage their enterprises efficiently and effectively. It is in view of this fact, that the EDPs organized in different parts of the country by and large are focusing on these components. In order to achieve elaborate focus on each of these components, the duration of EDPs generally varies between 4-6 weeks.

To analyze how far EDPs conducted in the state during the period under study have been planned and organized on the above stated lines which are considered sound in order to derive maximum out of the resources and efforts that go into the EDPs, the data has been collected from sample trainees and trainers on each of these components, which has been analyzed with the help of relevant statistical tools, the results of which have been presented in table 3 which unfortunately reflects unique and discouraging picture of EDPs in the state.

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Table 3: Perception of Sample Trainees about Contribution of EDP Inputs in the Development of Entrepreneurs

Inputs	Significant		Insignificant		Marginal		No Contribution		Total
	No.	%age	No.	%age	No.	%age	No.	%age	
Creation of Achievement Motivation & Reinforcement of Entrepreneurial Traits	47	12.63	85	22.85	163	43.82	77	20.7	372
Enterprise Planning and Development	61	16.57	97	26.36	144	39.13	66	17.93	368
Enterprise Management	72	19.65	105	28.69	100	35.52	59	16.12	366

Source: Primary Data

Perusal of the data presented in table 3 brings to fore that the majority of sample trainees perceived insignificant or no contribution of EDPs across all inputs except enterprise management in the planning and development of their enterprises. As can be seen from the table that 20.70 percent of sample trainees have held that the EDPs have failed to create any zeal and zest in them about choosing entrepreneurship and more importantly in reinforcing the entrepreneurial traits which are considered essential for successful entrepreneurial pursuits. Only 12.63 percent have perceived significant contribution of EDPs in reinforcing entrepreneurial traits. It can also be seen from the above table that majority of sample entrepreneurs i.e. 66.67 percent have perceived either marginal or insignificant contribution of EDPs with regard to this input. Similarly with regard to the inputs concerning enterprise planning and development 44.29 percent have perceived either insignificant or no contribution from EDPs about potential business ideas and how to craft an opportunity into a viable business proposition. While as 16.57 percent sample trainees have perceived that EDPs have contributed significantly in developing their knowledge and skill base regarding how to plan and organize an enterprise. However, a good percentage of sample trainees i.e. 55.37 percent are satisfied either significantly or marginally with regard to the contribution of EDPs in developing requisite managerial skills of the trainees. Further, it becomes clear from the data detailed out in the above table that 28.69 percent of sample trainees perceived insignificant contribution of EDPs in educating them about management of an enterprise and 16.12 percent of sample trainees have perceived no contribution of EDPs in developing their knowledge about different management systems and techniques.

What emerges from the above discussion is that very few sample trainees are found to have perceived that the EDPs to have been attended during the period under study have made significant contribution across all EDP inputs while as, majority have held that EDPs have made in-significant or no contribution in reinforcing entrepreneurial traits and in developing their knowledge and skills required to plan, organize and manage an industrial enterprise from embryo stage to the take-off stage. This perception of trainees about the contribution of EDPs reveals that the programmes do suffer from structural and other problems which have impeded their efficacy. To know that whether there is really any flaw in the training inputs and methodology used to deliver and develop the knowledge and set of skills and where the problem

actually lies, the structure, components and training methodology used by different training organizations have been reviewed. Further, discussions were held with the trainers to arrive at logical conclusions about the subject matter in question. In this regard focus of the EDPs, duration of the programme and methodology used have been analyzed and the conclusions of which are presented in the following paras.

Focus and duration of the programme

As already stated, that a training programme will serve the purpose of EDPs only when it focuses attention on all the three components viz. creating achievement motivation and reinforcement of entrepreneurial traits; developing basic knowledge and skills of enterprise planning and development; and developing knowledge of management systems and techniques and simultaneously evolve right type of training methodology to develop competent and capable entrepreneurs. But the EDPs organized by various agencies in the state during the period under study lacked a balance in focus, and more importantly suffered from lack of complete and elaborate coverage on different components of training. From the review of various EDPs, it has been observed that the programmes in general covered a little bit of everything thus lacked complete coverage. As a result, the programmes in general in the state have failed to develop a complete understanding of the different aspects of entrepreneurship of the trainees. This is evident from the fact that majority of sample trainees have revealed that EDPs did not help them in identifying viable business proposals. It becomes clear from table 4 that only 9.46% of sample trainees who have started or are in the process of starting an enterprise have benefited from the EDPs in the process of identifying a viable business proposition.

Table 5.4 Sources of Business Idea

S. No.	Source	No. N=74	%age to the Total
1	Friends and Family	18	24.32
2	Own perception	28	37.84
3	EDP	07	9.46
4	Others	21	28.38

Source: Primary Data

The important inference which becomes clear from the above table is that majority of trainees who have set up their enterprises or are in the process of setting-up their enterprises have conceived the business idea either on the basis of their own perception or on the advice of friends and family members or others rather than on the basis of EDPs. This in other words means that EDPs have failed in this important objective of enabling the trainees to spot a right business idea.

The other fact of training programmes conducted in the state is that these programmes have also failed in fully developing the understanding of the significance of enterprise planning and more importantly how to plan and organize the enterprise. Further, with regard to enterprise management, the programmes have been observed to focus mainly on the management of markets only. The other important areas of business management viz. financial management, quality management and cost control/reduction have been found to have been largely ignored

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as such rendering EDPs useless. The other surprising fact of the EDPs conducted in the state during the period under study is that generally duration of the programmes used to be of one week, whereas 2-4 weeks is considered an ideal duration for EDPs worldwide. It is in view of the shorter duration, the EDPs conducted in the state lacked in having elaborate and complete focus on all aspects of entrepreneurship development.

Quality of Trainers and Training Methodology

It is an universally accepted fact that effectiveness of training also depends on the quality of trainers and training methodology used in the training programme. To judge the effectiveness of training programmes, the quality of trainers and training methodology employed in the EDPs conducted in the state have been critically analyzed. In this regard the views of sample trainees have been sought, the analysis of which has been presented in table 5

Table 5: Perception of Sample Trainees about Quality of Trainers and Usefulness of Training Methodology

Perception of sample trainees	Very Good		Good		Average		Poor		Total
	No.	%age	No.	%age	No.	%	No.	%age	
Quality of Average Trainers	39	10.51	101	27.22	142	38.27	89	3.99	371
Content	54	14.79	110	30.14	151	41.37	49	13.42	365
Motivation	26	7.20	87	24.10	149	41.27	99	27.42	361
Presentation	73	20.11	185	50.96	84	23.14	21	5.79	363
Usefulness of methodology	Quite useful		Useful		Not so useful		Not at all useful		378
	47 (12.43)		137 (36.24)		105 (27.78)		89 (23.55)		

Note: Parenthesis indicating percentage to total.

Source: Primary data

Perusal of the data detailed out in the above table reveals that only 23.99 percent of sample trainees were found unsatisfied with the quality of trainers. However, most of the sample trainees viz.38.27 percent have revealed that the quality of trainers was average. Further, it can be seen from the table that 41.37 percent and 41.27 percent of sample trainees have considered the content and motivation part of lectures respectively as average. However, so far as presentation part of the trainers is considered, majority of sample trainees viz.71.04 percent have perceived it to be very good. The above table also reveals the perception of sample trainees towards the utility of training methodology in developing their knowledge and set of skills required for success in entrepreneurship. The data in this regard clearly reveals that 48.67 percent of sample trainees have perceived training methodology either as very useful or useful. Another 27.78 percent have considered it not so useful and only 23.55 percent have regarded it not useful at all. From these figures, it becomes clear that there are many who were not satisfied with the training methodology used by the trainers of sample EDPs. This is perhaps due to the

fact that by and large trainers have been using traditional methods of teaching and very rarely case studies and field visits have been used to make it more practicable.

The above discussion on training and development has clearly revealed great flaws in training inputs and methods. As such, these gaps in training and development are likely to have impeded the efficacy of EDPs conducted in the state during the period under study. The trainers have held responsible for the serious gaps in training inputs and methods to the lack of resources and expertise, however, it seems that these factors may also be responsible but the lack of understanding and the seriousness on the part of training organizations in implementing effective training programmes are the major constraints. As such, in order to increase the efficacy of EDPs in the state, designing and execution of training programmes on sound lines deserves equal attention from EDP planners in the state.

Post-training Support System

The objective of EDPs is not only to train and educate the trainees, but also to provide after training support and services so as to enable the potential entrepreneurs to launch their enterprises on sound lines. It has been found that the training serves no purpose singly if there is not any follow-up or what we call an intensive follow-up of the EDPs. Dinesh Awasthi and Jose Sebastian, (1998) on the basis of their comprehensive study on evaluation of EDPs have found that by and large higher intensity, frequency, quality and timely follow-up have resulted in better start-up rates.

It is in view of the above established fact, it is being argued that the outcome of EDPs is also linked to a great extent to the adequacy and timeliness of post-training support and services offered to trainees. Keeping in view the significance of the quality and timeliness of follow-up support system, the role of modern entrepreneurship development organizations is extended beyond training to provide the back-up support to every extent possible. The entrepreneurship development organizations are expected to provide the following post- training services:

- Guidance and counseling in identifying potential business ideas.
- Support in the preparation of feasibility /project reports.
- Help in identifying suppliers of plant and machinery and of raw materials.
- Counseling in designing marketing strategies to develop markets
- Help in seeking license, financial support and other permissions and incentives.
- Management consultancy in the initial stages of an enterprise

Table 6: Extent of Post-training Support and Services Offered to Trainees by Entrepreneurship Development Organizations in J&K State During 2004-2010

Nature of help	Large Extent	Small Extent	Little Extent	Not at All	Total
Identification of Potential Business Ideas		9 (12)	18 (24)	47 (64)	74 (100)
Assistance in the Preparation of Project Reports		2 (3.00)	9 (12.00)	63 (85.00)	74 (100.00)

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Identification of Suppliers of Raw Materials and Plant & Machineries				74 (100.00)	74 (100.00)
Designing Marketing Plan / Strategies			5 (7.00)	69 (93.00)	74 (100.00)
Seeking of Licenses, Financial Support & Other Incentives			8 (11.00)	66 (89.00)	74 (100.00)
Management Consultancy in the Early Stage of an Enterprise				74 (100.00)	74 (100.00)

Note: Data collected from the sample trainees include those trainees who have set- up or in the process of setting up their enterprises, and those who have got blocked at one or the other stage.

Source: Primary data

Entrepreneurship development organizations world-wide are generally providing most of these services to their trainees during the post-training phase on a sustainable basis. In India, also entrepreneurship development organizations are providing post-training support and services in one form or the other. But the entrepreneurship development organizations in the state of J&K are reported to have failed in this regard to a great extent. As becomes clear from the data presented in table 6 that overwhelming majority of sample trainees who have either set-up or are in the process of setting- up their enterprises have held that entrepreneurship development organizations in the state have failed in providing post-training support and services.

Perusal of data detailed out in table 6 brings to fore that overwhelming majority of sample entrepreneurs have revealed that the entrepreneurship development organizations in the state have failed to provide post-training support and services like; help in identifying suppliers of plant and machinery, raw materials and more importantly management consultancy services. With regard to other services like preparation of project reports and seeking financial support just a few sample trainees have reported to have been provided these services that too either to some extent and to a little extent only. Among all organization it is only J & K Entrepreneurship Development Institute in the state to have been providing some sort of guidance in the identification of potential business ideas but not as a part of their regular activity. 69.86 percent of the sample trainees revealed that training organizations in the state have altogether failed in providing this service to the trainees during the period under study. What becomes clear from the above discussions is that entrepreneurship development organizations in the state have failed in providing post-training support and services. It seems that the organizations in the state have restricted their role to the extent of training only and feel absolved from its responsibilities towards entrepreneurship development once the training is over. If it is so, the need of the hour is to rationalize their mindsets and make these organizations understand that their role extends beyond imparting training.

In order to assess the views of the managements of entrepreneurship development organizations about post-training support, the discussions were held with the sample respondents of these organizations and on the basis of which it can be concluded that most of the entrepreneurship development organization failed to visualize that it is important for them to extend post training support and services to prospective entrepreneurs. As such, these

organizations have failed miserably to evolve a systematic methodology for follow up services. For failure in realizing the need of post-training support and services, the training organizations argued that it is rare that any trainee turns up after training for any sort of support and counseling. Further the entrepreneurship development organizations have held that they have also failed to provide post-training help and support due to the lack of co-operation from various industrial promotional organizations operating in the environment of small and tiny industries in the state. Entrepreneurship development organizations have revealed that it is embarrassing to make frequent visits to the support agencies for help. The promotional organizations only promise for quick redress of problems being faced by the trainees but they are actually leaving the trainees to face the wrath alone. However, officials of the supporting organizations contradict these allegations rather have put the blame squarely on the managements of entrepreneurship development organizations for having failed to deal with this responsibility seriously and meticulously. Further arguing that entrepreneurship development organizations have failed in formalizing the follow-up system which is a serious lapse on their part. As such without proper planning, these organizations have failed to coordinate and seek full support from the industrial promotional organizations.

Role Performance of Financial and Service Organizations:

Entrepreneurship development is a role play of different role- players viz. a sponsor, entrepreneurship development organizations and the financial and service organizations created to promote and regulate industrial development in the state. It is a fact that the role of entrepreneurship development organizations is more important but it cannot be denied at the same time that the outcome of EDPs also depends upon the role performance of financial and service organizations operating in the environment of small scale industries. This is owing to the fact that ultimately the trainees have to interact with these organizations, as such every possible cooperation and support on their part extended to prospective entrepreneurs is considered one of the determining factors for the performance of EDPs. It is in view of this fact that researchers on the basis of their findings have held that entrepreneurship development is not just training but a whole process by itself. In this regard N. P. Singh (1989) on the basis of research experiences has argued that “ EDPs have to encompass a total perspectives of the entire process, in fact a macro analysis of the whole problem”. It is true that to achieve the stated objectives of EDPs, the role of financial and service organizations is important by making the post training journey of EDP trainees smooth and hassle free. These organizations are also required to provide guidance and counseling in different aspects of enterprise creation. If the trainees are subject to difficult administrative complexities and red tape, most of them loose entrepreneurial spirit and prefer an exit route rather than toil hard to launch an enterprise.

It is in view of the above facts that to identify the reasons for poor performance of EDPs conducted in the state during the period under study, an effort has been made to critically analyze the role performance of various financial and service organizations operating in the environment of small scale industries in the state. To promote and regulate the orderly development of industries in the state, the number of promotional organizations were established which includes Industries and Commerce Department, State Financial Corporation, SICOP and SIDCO. With regard to the role performance of these and other organizations, views of the trainees and training organizations on various functional parameters of these organizations were sought. The discussions were also held with the managements of various industrial promotion organizations including banks to arrive at logical conclusions about the

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role performance of industrial promotion organizations. The data about the role performance of various financial and service organizations has been presented in table 7

Table 7: Perception of Sample Trainees about Role performance of Financial and Service Organizations

Organizations	Large extent		Some extent		Little extent		Not at all		Total
	No.	%age	No.	%age	No.	%age	No.	%age	
J&K ITCO & SISI			3	11.4	5	19.23	18	69.23	26
J&K Industries & Commerce Deptt	9	12.16	18	24.32	14	18.92	33	44.59	74
J&K SFC			4	5.40	18	24.32	52	70.21	74
Banks	1	2.38	8	19.05	7	16.67	26	61.90	42
J&K SICOP			2	6.45	5		24	77.42	31

Source: Primary data

A cursory look into the above table brings to fore that across the spectrum of financial and service organizations, majority of sample trainees (who have set up or are in the process of setting-up their enterprises and the trainees who are blocked) are not satisfied with the role performance of various promotional organizations in the state. For example, in case of State Financial Corporation, a premier financial institution for small enterprises in the state, only 5.4 percent of sample trainees have been found satisfied to some extent only. Another 14.37 percent are satisfied with the role performance of this financial institution to a little extent only. Same is true with other organizations including banks except Industries and commerce Department. In case of this organization the perceived performance of this organization is somewhat better as compared to other organizations. As becomes clear from the above table 36.48 percent of sample trainees are satisfied to a large extent or to small extent with the role performance of this organization of strategic importance. Another 18.92 percent are satisfied to a little extent only. But in case of this organization, 44.59 percent of sample trainees are not satisfied with its role performance.

What emerges from the above discussion is that all the organizations in the state are perceived to have failed to perform their expected roles properly and efficiently though with minor variations. This perception of trainees is to some extent shared by the Entrepreneurship Development Organizations. However, the managements of financial and service organizations contradict with the perception of sample trainees and have argued that people working in their organizations are by and large conscientious of their duties, helpful and vigilant. Added to this, few officials of the banks have reported that it is true sometimes they fear to sanction loans to first time entrepreneurs but it is the trainees actually who lack courage, integrity and initiative. Unfortunately, they have developed a dependency syndrome and often exaggerate their difficulties. On the other hand, sample trainees argued that they generally approach various organizations with a proper mission and goal of launching a viable enterprise, but they are made to work against heavy odds by some organizations like SFC and banks. They have accused various promotional organizations of corrupt practices, irresponsiveness, rigid attitudes and of various procedural wrangles. Further, some of these organizations were accused of lacking technical competence like SISI, ITCO and Industries and Commerce Department. The nature

of perceptual disjunctions between trained entrepreneurs and the financial and service organizations have been presented in table 7

The above discussion has revealed that the conflict is surrounding as to the adequacy or inadequacy of role performance of most of the financial and service organizations operating in the environment of small-scale industries in the state. There is a need to assess the role performance of these organizations critically to unveil the lapses and shortcomings in their role performance if any. This would require comparison of their achievements with some set standards which itself is a huge work, as such does not fall within the purview of this topic. However, the analysis of the stages at which some trainees have got blocked will provide some insight into the adequacy or inadequacy of the role performance of three important organizations viz. Directorate of Industries and commerce, State Financial Corporation and Banks.

Analysis of Blocked Trainees

Blocked trainees are those who intend to launch their own industrial enterprises but have got blocked due to one or the other reasons at different stages. Out of the total trainees, 174 trainees have got blocked which constitute 35.37 percent of those trainees who have decided to undertake industrial entrepreneurship after attending EDPs. Since the number of such trainees is sufficient, as such indicative of some clue about the support system available in the state. These trainees have been blocked at different stages of venture launching either due to personal reasons or due to inefficient and hostile support system. Therefore, the analysis of the stages at which the trainees have got blocked will provide some clue about the adequacy of role performance of these organizations. The data about the stages completed before getting blocked collected from sample blocked trainees has been presented in table.8

Table- 8 Stages Completed Before Getting Blocked by the Sample Trainees in the Process of Launching Enterprises

S.no.	Stages completed	No of ventures	%age to the sample blocked trainees
1	Business Planning Stage (DIC, EDI)	12	27.9
	Identification of projects	8	18.60
	Feasibility-cum-project report	4	9.30
2	Registration Stage	9	20.93
	Registration (DIC)	2	4.65
	Allotment of land	6	13.95
	Other licenses/clearances	1	2.3
3	Finance stage	23	53.49
	Sanction of loans	18	41.86
	Disbursement of loan	5	11.63
4	Personal reasons(trainees)	4	9.31
	Financial	3	6.98
	Other contingencies	1	2.33
	Grand Total	43	100.00

Source: Primary data

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The data detailed out in table 8 reveals that majority of the trainees viz. 53.49 percent have got blocked at the stage of seeking financial assistance followed by registration stage which accounts for 20.93 percent of sample trainees. It can also be seen from the table that 16.28 percent of the sample trainees also got blocked at the business planning stage for which Directorate of Industries and Commerce through DICs is responsible. It can also be seen from the data presented in the table that only 9 percent of the sample trainees have also got blocked due to personal reasons.

At the financial stage, most of the sample trainees viz. 41.86 percent have been found to have got blocked on account of the sanction of loans and only 11.63 percent on account of the problems in disbursements. As regards the business planning stage, more are blocked due to the problems in the identification of viable business idea, and less on account of the problems in the preparation of feasibility-cum project reports. Further it can be seen from the table that sample trainees are also blocked at this stage due to the problem of allotment of land.

A close introspection of the role performance of various financial and service organizations operating in the environment of small-scale industries in the state brings to limelight the role failure on their part. Indeed, these organizations suffer from various forms of ill health like more paper work, inordinate delays, procedural wrangles and corruption, which have had the most dampening effect on the industrial development and the spirit of entrepreneurship. According to Butt K. A. (2005), the different promotional organizations are administered more than strategically managed and their culture is that of the bureaucratic mazo than that of risk-taking entrepreneurs. Further these organizations have misconstrued their role of a promoter and are obsessed with a regulatory role. Added to it, these organizations have demonstrated inflexibility in their attitudes and at the same time have shown rigid bureaucratic attitudes. Managers in these organizations lack autonomy and entrepreneurship and the employees in general lack commitment and right attitudes. Their lack of the concept of industrial promotion makes things worse. It is a fact that institutions whether political, social, cultural and economic provide necessary direction for development in all spheres of life. So, when these institutions fail to deliver, aberrations are bound to take place. As such, the failure of the various promotional organizations including banks to play their allotted roles efficiently is bound to have an impact on the effectiveness of EDPs conducted in the state during the period under study.

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