



## Performance Evaluation of Entrepreneurship Training Institutes - An Empirical Study

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**Abstract- Back ground:** Entrepreneurship Training Institutes (ETIs) are playing primary role in development of entrepreneurs in India and are completely funded by the public resources. There is a need for more job providers than job seekers in current situation as unemployment affects the country's youth extensively.

**Purpose:** The success of the entrepreneurs largely depends on the performance of entrepreneurship training institute; hence evaluation is most necessary for the improvement of such institute. The objective of the study in this backdrop is to evaluate the performance of entrepreneurship training institutes from the point of view of trained entrepreneurs.

**Design of study:** Empirical evaluation is the base for enhancement of performance of any institute and the study approaches qualitative and quantitative research and uses questionnaire for its research design. Primary data is collected by taking into consideration the opinions of actual entrepreneurs trained by these institutes and the annual reports of these institutes with the reports of government and funding agencies constituting the needed secondary data. Sixty trained candidates from two sample institutes of Udupi and South Canara districts of Karnataka State, India were randomly selected and interviewed for the purpose of study.

**Findings:** Various training attributes have their varying impact on the performance of entrepreneurship training institute while majority opinion streamlines the benefits derived by institutes along with obstacles faced at practical launching and operating of businesses.

**Practical implications :** Institutional evaluation is always broader than program evaluation. The present study would be beneficial for policymakers and decision makers at government and non-governmental organizations. It also helps the training institutes in improving their performance.

**Key Terms:** Entrepreneurs, Entrepreneurship Training, Performance Evaluation, Training Institute

### I. INTRODUCTION

Globalization has brought a structural change in the business and hence in the entrepreneurship. It is in contravention with the artificial boundaries paving way to new products, services and ways of manufacturing methods. The current swift changes are being led by technological advancement. The globalization also has brought change of mindset with government to help entrepreneurship by adopting apt policies, regulations and also inviting overseas capital. The environment is posing increased challenges of competition, new products and emerging markets. In other words, the risk of entrepreneurs is on the increase. This does not curtail the emergence of entrepreneurs as there are also measures to develop and sustain the entrepreneurship.

We are living in the age of entrepreneurial development. The future of entrepreneurship is dazzling in developing countries. The entrepreneurship is endorsed and encouraged in learning institutions, governments, society and other corporate bodies in India as well as other emerging economies. The research activities in the direction of entrepreneurship development are also on the growth path. It is considered to be a vital instrument for economic transformation and the stimulation of global development being the wealth generator for both individual and the economy at large. Entrepreneurship development requires proper education, creation of awareness with necessary training. Entrepreneurial education takes place in schools and colleges through academics while awareness creation and training are the activities performed by Entrepreneurship Training Institutes (ETI). ETIs are acting as front runners in India in the creation of entrepreneurs.

## II. LITERATURE - TRIGGER FOR THIS STUDY

Ranjith Kumar and Gunasekaran (2020) analysed the impact of Entrepreneurship Training for the rural poultry farmers who adopted modern management practices. The study brings out the significance of training to the insignificant and minor farmers who are already working in the poultry farm and concluded that there is a need for suitable training to the farmers to enhance the poultry farmer's income and training areas should include various technical and non-technical issues.

Quintero et al., (2019) analyzed the scientific research in the field of entrepreneurship at the international level. The database analyzed was taken from Scopus indexed journals. The study concluded that the articles focused on divergent topics such as individual, environment, opportunity without holistic view. The lack of integration between individual and environment suggests the room for new conceptual work. So, need for further study was emphasized integrating entrepreneurship with his environment where he operates.

Landstorm and Harischi (2018) conducted a study with aim of knowing what makes research and study on entrepreneurship interesting and in what way it is distinguished from other disciplines. They surveyed 915 scholars and found that the evaluations and characteristics of the field are the leading reasons for interest in the field as the field is reality oriented and is useful to many scholars and societal actors. They also discuss how to make the field further interesting and quote five dimensions viz., methodological stoutness, reality focus original and assorted methods, novel and challenging research, and knowledge accumulation of interestingness.

Zenobia Ismail (2018) studied questions to know the evidence of the impact of entrepreneurship training programmes in India and internationally and the mechanisms which enhance the success of these programmes and found that entrepreneurship training enhances the confidence and sense of empowerment among entrepreneurs. These programmes are intended to promote self employment through business creation. But, the impact of these programmes on entrepreneurial activity was observed to be modest but increase the business knowledge and practices. The brunt on other aspects of business performance such as income, sales, profits and inventory was found to be average.

Al-Awlaqui (2018) studied the positive and causal relationships between entrepreneurship training and orientation and also its dimensions such as pro-activeness, innovativeness, and risk taking. The study addressed the effect of entrepreneurship training on entrepreneurial course as a viable business approach and also the causal relationship between entrepreneurship training and orientation in micro-sized businesses. The study concluded that the training would enhance the entrepreneurial orientation which in turn would help the entrepreneurs to adapt strategies for success in developing countries.

Moses et al., (2018) assessed the impact of entrepreneurial mentoring and training on young entrepreneurs in developing countries. The study first assessed the impact on effectiveness and efficiency of entrepreneurs and then examined the effects of program on mentorship, access to related knowledge and networks. The study identified that training has positive impact on youth entrepreneurial capability and competencies and also is strategic to entrepreneurial mentoring to build entrepreneurial networks as it helped to enhance skill, knowledge and efficacy of entrepreneurs in identifying the opportunities and business excellence and was concluded that training is a must for developing countries to enable entrepreneurs towards achievement.

Ramakrishna (2015) acknowledged in common, the role played by the RUDSETIs with their training methodology in promoting self-employment and entrepreneurship among the unemployed youth by studying the performance of units located at Prakasam District of Andhra Pradesh, India. The survey found that a majority of agricultural EDP trainees were successful in settlement and were helped in getting suitable bank finance as well for setting up their ventures. He stressed the necessity of training for future entrepreneurs so as to achieve the fruits of demography in the economic growth.

### **Research Gap**

A methodical survey of literature was undertaken to study the research gaps and criteria for evaluation of institutes. From the literature review it is observed that training plays an important role in promoting entrepreneurship to enhance the skill, knowledge and effectiveness of entrepreneurs in identifying the opportunities and business excellence. There are 585 entrepreneurship training institutes operated by

Ministry of Rural Development, Government of India throughout the country and 33 in Karnataka state. (As per list of <http://www.nacer.in/>) Studies pointed out that research on entrepreneurship education is in nascent stage in India (Mukesh et. al., 2018), which has increased the importance of ETI's in creation of entrepreneurs. It is an emerging field of research where theory should transform into practical benefits to the operatives of field. Performance of training institutes always leads to enhance the capabilities of trained candidates in entrepreneurial performance. So, there is a need for studying the performance of entrepreneurial training institutes in India. This is the reason which instigated the researcher to look into performance of ETI's by selecting two major ETIs in Karnataka.

### Study Objectives

- To elicit the opinion of entrepreneurs regarding Entrepreneurial Awareness Programmes organised by sample Institutes
- To evaluate the opinion of entrepreneurs in relation to Technical Knowledge and Skills Training
- To assess the trainees perception regarding Business Opportunity and Management Training and
- To appraise the institutes on the achievement motivation training and support system exposure

## III. RESEARCH METHODOLOGY

### Sources of Data

The present study is based on both primary and secondary sources of data. A survey was conducted using a structured and pre-tested questionnaire designed for the purpose of measuring the performance of training institutes. The training institutes with their officers and directors were duly consulted for the study. The annual reports of institutes along with reports of government and funding agencies were also taken into consideration.

### Scope of Study

The study covers only two entrepreneurship training institutes located in the Coastal districts of Karnataka State viz., Udupi and South Canara considering the trained candidates of both the institutes during the span of previous five years from 2014 to 2019.

### Survey Period

The survey was carried out during March to May 2020

### Sample Design

Sixty Trained sample respondents were randomly selected from the list of two institutes located in Udupi and South Canara districts of Karnataka State.

### Research instrument

A detailed and pretested questionnaire was used as research instrument of data collection. The questionnaire contained basic information section to understand trainees and five major sections to collect data on various facets o dimensions of training institute.

### Statistical Tools used

Cronbach's alpha is used to assess the data consistency of scales used in questionnaire. Percentage analysis was used to measure the response of trained candidates towards each attributes.

### Data Analysis

The study conducted through a structured questionnaire and 60 responses were recorded. The data was analyzed using SPSS which is detailed below:

### Demographic details of Respondents:

**Table 1: Demographic Profile of Sample Respondents**

Demographic Profile		No. of Respondents	Per cent
Gender	Male	43	71.67
	Female	17	28.33
	Total	60	100.00
Age	Less than 30	36	60.00
	30 to 40	21	35.00
	40 to 50	03	05.00
	Total	60	100.00
Family Type	Nuclear	37	61.67

	Joint	23	38.33
	Total	60	100.00
Education	Up to SSLC	18	30.00
	PUC	14	23.33
	Graduation	11	18.33
	Diploma	16	26.67
	Post Graduation	01	01.67
	Total	60	100.00
Status of House Hold	BPL	35	58.33
	APL	21	35.00
	Antyodaya Card Holder	04	06.67
	Total	60	100.00
Income earning Persons of family	One	21	35.00
	Two	31	51.67
	Three	04	06.67
	Five	04	06.67
	Total	60	100.00
Nature of Business	Manufacturing	03	05.00
	Trading	32	53.33
	Service	25	41.67
	Total	60	100.00
Type of Business Unit	Micro	51	85.00
	Small	08	13.33
	Medium	01	01.67
	Total	60	100.00
Ownership of Business	Sole Proprietorship	45	75.00
	Partnership	08	13.33
	Company	01	01.67
	Co-operative	06	10.00
	Total	60	100.00
Nature of Starting Business	Founded	51	85.00
	Purchased	08	13.33
	Inherited	01	01.67
	Total	60	100.00
Type of EDP attended	Agriculture	06	10.00
	Process	04	06.67
	Product	50	83.33
	Total	60	100.00

Source: Survey Data analysis

The table reflecting demographic details of survey observations is presented below

- Around 72% respondents were male, 60% were below 30 years age group and 62% were from nuclear family background
- Only 20% respondents had graduation and remaining majority were from secondary or pre-university or diploma education background.

- Sixty five per cent earned income which was below poverty line or government card for survival benefits. The source of income came from single family member in 35% of respondent families and two persons in 52% respondent families.
- Respondents into manufacturing activity were meagre, but 53% belonged to trading business and 42% were into service sector, 85% of them owned micro enterprises, 75% sample units were owned by sole trading pattern and 85% of the businesses were newly started ventures.
- A maximum of 83% respondents were trained on product EDP, whereas only 10% on agriculture EDP's and 7% on process EDP's.

### Reliability Statistics

Cronbach's alpha is the most common measure of internal consistency or reliability. It is most commonly used when we have multiple Likert questions in a survey that form a scale and wish to determine if the scale is reliable. If we are concerned with inter-rater reliability, we also have a guide on using Cohen's ( $\kappa$ ) kappa that you might find useful.

Table 2: Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
0.956	0.959	20

Source: Survey Data analysis

From the above we can conclude that Cronbach's alpha is 0.956, which indicates high level of internal consistency for our scale used in the questionnaire.

### Entrepreneurship Awareness Programmes (EAPs):

Four questions were asked to the trained candidates regarding EAP aspects of training, the responses of which are analyzed below, the questions were with regard to:

1. Creating awareness in the form of providing information about the support available from the Banks and Government Agencies for enterprise promotion by the institute (EAP\_1)
2. Quality of EAP has been excellent and quality delivery not comprised during the training programme(EAP\_2)
3. To make the trainees aware of various formalities and requirements in launching the business(EAP\_3)
4. Explanation of the purpose and importance of each activity requirement for a successful business activity(EAP\_4)

Table 3: Entrepreneurship Awareness Program aspects of Training

Particulars/ Percentage	EAP_1 %	EAP_2 %	EAP_3 %	EAP_4 %
Poor	-	0	1.67	3.33
Fair	3.33	3.33	3.33	8.33
Average	1.67	5.00	5.00	3.33
Good	36.67	38.33	30.00	36.67
Excellent	58.33	53.33	60.00	48.33
<b>Total</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>

Source: Survey Data analysis

From the table it is clear that majority of responses are good and excellent. We can observe that EAP- 4 response is somewhat less compared to others. But, that is an important part of training for prospective entrepreneurs and the purpose of each activity being explained to the trainees during training.

### Technical Knowledge and Skills (TKS)

Four questions were asked to the trained candidates regarding TKS part of training, the responses of which are analyzed below, the questions were related to:

1. Effective training delivery methods like behaviour simulation games, role play, group activities, practical exposure visits provided as an experiential learning to the trainees in this RSETI institute (TKS\_1)
2. Hands on experience, group discussion provided as part of technical skill developed by the RSETI institute (TKS\_2)
3. Provide adequate 'hands on' experience (practical) in the needed technology (TKS\_3)
4. Training provided by the institute brought profound and far-reaching changes in the behaviour of an individual in terms of knowledge, skills and attitude (TKS\_4)

**Table 4: Technical Knowledge and Skills aspects of Training**

Particulars/ Percentage	TKS_1 %	TKS_2 %	TKS_3 %	TKS_4
Poor	-	0	-	-
Fair	1.7	1.7	1.70	1.7
Average	3.3	5.0	6.70	1.7
Good	26.7	31.7	23.3	31.7
Excellent	68.3	61.7	68.3	65.0
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

Source: Survey Data analysis

The above table shows that all the responses of sample trainees have opined that technical knowledge and skills aspects are excellent to a great extent.

#### **Achievement Motivation Program (AMP)**

Four questions were asked related to the achievement motivation training and analyzed which are as below,

1. The Motivation program such as citing the example of some successful entrepreneurs, a model case study etc., during the training by the institute helped to increase my ability to become a successful entrepreneurs (AMP\_1)
2. A confidence building program where there is a desire to achieve something in life for which there is no motive conducted by the trainer (AMP\_2)
3. Motivating the candidates by the trainer to develop interest in improving personality (AMP\_3)
4. Motivation program conducted by the RSETI in Eradication of dependency syndrome among trainees (AMP\_4)

**Table 5: Achievement Motivation Program aspects of Training**

Response/ Percentage	AMP_1 %	AMP_2 %	AMP_3 %	AMP_4 %
Poor	-	0	-	-
Fair	1.70	1.70	1.70	1.70
Average	3.30	5.00	3.30	5.00
Good	28.30	31.70	30.00	41.70
Excellent	66.70	61.70	65.00	51.70
Total	100.00	100.00	100.00	100.00

Source: Survey Data analysis

Responses are good and excellent regarding achievement motivation given at training. Training to eradicate the dependency syndrome among trainees is comparatively less.

#### **Business Opportunity Guidance (Market Support) & Managerial Skills (BOMS)**

The questions asked relating to BOMS are regarding Guidance on the

1. Guidance on the scope of business opportunities and new avenues(BOMS\_1)
2. Understanding the importance of communication skills as part of an effective managerial skill in running an enterprise. (BOMS\_2)
3. Exposing for practical marketing experience and marketing opportunities(BOMS\_3)
4. Selection of business activity by the trainer which is viable and opportunity to establish oneself within the resources/liking of the entrepreneur (BOMS\_4)

**Table 6: Business Opportunity Guidance (Market Support) & Managerial Skills**

Response/ Percentage	BOMS_1%	BOMS_2 %	BOMS_3 %	BOMS_4%
Poor	-	0	-	-
Fair	-	1.70	3.30	5.00
Average	3.30	1.70	1.70	1.60
Good	45.00	48.30	36.70	46.70
Excellent	51.70	48.30	58.30	46.70
Total	100.00	100.00	100.00	100.00

Source: Survey Data analysis

### Exposure to Support System (Linkages to Banks) & Project Report Preparation (ESS)

The four questions asked on ESS and project report preparation and analysis is as below

1. The approach of enlisting the technical, financial, marketing and commercial aspects of business taught by the trainer (ESS\_1)
2. Methodology of explaining the concept of marketing strategy for their product/Service and explain the importance of customer service (ESS\_2)
3. Methodology of explaining and educating the entrepreneur about various lending norms, eligible purposes, investment pattern, loan amount, margin, rate of interest, security and repayment of loans (ESS\_3)
4. Methodology of explaining various lending schemes including various Government sponsored schemes by the trainer (ESS\_4)

**Table 7: Business Opportunity Guidance (Market Support) & Managerial Skills**

Particulars/ Percentage	EAS-1%	EAS-2%	EAS-3 %	EAS-4 %
Poor	1.70	0	-	-
Fair	1.70	1.60	1.70	3.30
Average	10.00	10.00	10.00	10.00
Good	53.30	51.70	48.30	46.70
Excellent	33.30	36.70	40.00	40.00
Total	100.00	100.00	100.00	100.00

Source: Survey Data analysis

The responses relating to ESS is good to a greater extent. The excellent responses are comparatively low here.

#### IV. MAJOR FINDINGS

From the practical and comparative analysis of the above survey results, we can make out the following findings:

- Among awareness training the formalities and requirements in launching the business (EAP\_3) is given more weightage and explanation of the purpose and importance of such procedures takes (EAP-4) flipside of such training
- Above all, the technical knowledge and skill development is highly focussed whereas hands on experience and group discussions are considered comparatively less important
- Training to eradicate the dependency syndrome among trainees is observed as comparatively less
- Guidance on importance of communication skills in business and selection of feasible business activity as marked by trainees is average whereas overall response regarding Business Opportunity guidance (Market Support) & Managerial Skills (BOMS) is less than 50% and comparatively the least
- Exposure to Support System (Linkages to Banks) and Project Report Preparation (ESS) is also given average response. In particular, practical aspects of entrepreneurship orientation for enhanced performance of trainees was found to be missing



## V. SUGGESTIONS

The study has resulted in various practical implications for training institutes in the organization of training for prospective entrepreneurs. Various attributes of study were measured from the point of view of trained candidates who entered on to become entrepreneurs. An insight of problems that they faced can only give greater inputs for the enhancement of performance of training institutes. The suggestions of the study are pointed out below:

- The purpose of training and background of each procedure must be given due importance
- Hands on experience of entrepreneurial skills has to be given enough scope
- Measures are to be taken to inculcate independent thinking and leadership qualities among the trainees
- Instead of suggesting tailor made solutions to trainees regarding the existing business opportunities, they have to be given an opportunity to come out with their own innovative business ideas
- Feeling of ownership of ideas leads to easy implementation and later on to the success of ventures. Practical and convenient support systems after training is also need of the hour as observed during the study

## VI. CONCLUSION

Entrepreneurship is not a theory oriented activity rather is the real act of creating a new venture requiring a lot of practical expertise and exposure. The purpose of training is to provide the prospective entrepreneurs the feel of reality and feasibility in future. Trainees learning the facts and techniques can be the foundation for their entrepreneurial activities. But, the creation of enterprise requires much more than this and the present research in this background has clearly drawn facts relating to skill and attitudinal side requirements of training provided by institutes under study, offering few suggestions on which institutes can work upon and deliver the needs for enhancement of their own performance, in turn increase the performance of entrepreneurs as well.

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