



NEED OF MANAGERIAL TRAINING FOR THE MEMBERS OF THE SHGs OF SIVASAGAR AND DIBRUGARH DISTRICTS OF ASSAM

Bipul Dey* **Dr. Chimun Kumar Nath****

**Research Scholar, Department of Commerce, Dibrugarh University, Dibrugarh, India.*

***Assistant Professor (Stage III) Department of Commerce, Dibrugarh University, Dibrugarh, Assam, India.*

Abstract

This study has been carried out to understand the level of the training of the members of the SHGs do possess in an unorganized environment and have further gone to mapping the importance of managerial training as well as the areas of managerial training required for the members of the SHGs of Sivasagar and Dibrugarh Districts of Assam. Based on a sample survey it has been observed that they are in need managerial training. From the study it has been revealed that the members of the SHGs in the study area do not have sufficient knowledge in Accounting, Marketing, Financial as well as Organisational decision making. In the first phase they are in need of managerial training having functional dimensions and in later they need training having organizational decision making dimensions. The study concludes with suggesting a training module for the members of SHGs in the study area.

Keywords: *Managerial Training, SHGs, Accounting, Marketing.*

PROLOGUE

Rural development comprises of the eradication of different rural problems like rural poverty removal of rural unemployment, construction of village roads, smooth transportation, electrification etc. as well as identification of rural development prospects by way of formulation of policies and implementation of those projects. Therefore, rural development is described as the essence of country's economic growth especially in case of India. Now-a-days Self Help Group is a popular means of self-employment predominantly in rural areas.

It has been observed from the previous studies that the problems faced by the SHGs in India were mainly due to lack of proper managerial training among the members of the group. However, very discernible studies have identified the type, nature and the mapping of the causes of failure of SHGs as the base for identifying the requirement of training to the members of SHGs. For this study Managerial training has been broadly categorized into two parts, i.e. Functional training and organizational training. Training is a short term process utilizing systematic and organized procedure by which non-managerial personal learn technical knowledge and skill for a definite purpose. Training courses are typically designed for a short-term, stated set purpose, such as the operation of some piece (s) of machinery and management requires training for operations and formulation of organizational strategies. Devi (2009) has stated in her research based article that the need of training is essential for SHGs. Referring to a study conducted by the Nanda Talukdar Foundation in 200 villages, spreading across 11 districts of Brahmaputra Valley, touching 250 SHGs, it was observed that most of the SHGs members are not properly oriented towards commercialization.

Bartel (1994) studied both the training decision and the possible impact of training on productivity. She found that under performing firms are more likely to implement formal training programmes and that these training programmes later increase productivity.

The sole aim of SHGs is to develop the business that has been promoted by the members. To establish a business properly, basically the members should possess some qualities which are essential for them such as knowledge of technical training, systematic accounting procedures, banking knowledge, marketing knowledge, organizing ability etc. As the lion share of members is less educated (based on primary sources), they have very lesser level of such qualities which may help to develop the business. Only training would play an important role to make the members competent in this regard.

This study has been carried out to understand the level of the training of the members of the SHGs do possess and have further gone to mapping the importance of managerial training as well as the areas of managerial training required for the members of the SHGs.

SCOPE OF THE STUDY

The scope of the study is limited to the identifying the need of managerial training of the members of SHGs. As it is one of the means of self-employment for rural poor, the scope of confined to the identification of essential trainings required for a member of SHGs. There are about 1,79,779 Self Help Groups in all over Assam. However, the geographical area of the study constitutes those SHGs which are formed under Block Development Offices of Dibrugarh and Sivasagar districts.



REVIEW OF LITERATURES

State Institute of Rural Development, Assam(2008) has defined a Self Help Group is a group of persons of same place gathered voluntarily for a common purpose. The sole aim of SHG is to remove the poverty of the members. When some persons feel the necessity of formation of a group, at that time they can form such group. Who will be the members of the group, will be determined by the group itself. It is to be borne in mind that there is no restriction on membership. That is why, every citizen of this country can be the member of a SHGs. Male, Female or both can be the member of a SHGs.

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Huselid(1995) has stated that human resource management practices such as training, participation or incentive compensation significantly contribute to firm performance although the human capital of the firm is not explicitly shown on the balance sheet, the value of the firm is at least in part driven by the value of the people who run the show. In this era of knowledge and information, continuous education and training of workers and employees is no longer an option but a must for most firms.

Flamholtz and Lacey (1981) has initiated the human capital theory as given Backer in 1994. According to human capital theory, people possess knowledge, skills and abilities that are an asset to the firm they work for. Employer-provided training can be seen as an investment in human capital and as such it can only be justified if they expect a positive return in the form of increased productivity or firm performance.

Barrett and O'Connell (2001) use different measures of training, one of which is training costs. There is no significant relation between changes in productivity and training costs for the firms included in their survey sample.

According to TCE, the frequency of the transaction increases the attractiveness of in-house provision of the function, as the frequency of the transaction increases transaction costs in the case of market provision (Williamson 1979; Yang and Haung 2000), because frequency may be connected to repeated re-negotiation of the agreement clauses.

OBJECTIVES

The basic objectives of the study are as under:

1. To review the managerial problems faced by the members of SHGs in the study area.
2. To observe whether the members of SHGs have undergone any training programmes or not.
3. To identify the areas where the members of SHGs require managerial training.

RESEARCH QUESTIONS

Based on the objectives set the study, through an empirical research the study expects to address the following research questions:

1. Whether the problem faced by the members of the SHGs does create any need for managerial training?
2. Whether the trainings received by the members of the SHGs so far are adequate enough to carry out their activities in the SHG?

METHODOLOGY

For the study both field and documentary data have been used. Field data has been collected from the SHGs and documentary data has been collected from Block Development offices, Various NGO's and Societies, Souvenirs, Magazines, Newspapers, Various Officials and Unofficial Leaflets etc.

There are 9 BDOs in Sivasagar District and 7 BDOs in Dibrugarh District. There are approximately 3591 SHGs being registered in 7 Block Development Offices under Sivasagar District during 2006 to 2010. In total the researcher has taken 140 nos of SHGs of Sivasagar District who have attained the second phase¹. There are approximately 3796 SHGs being registered in 5 Block Development Offices under Dibrugarh District during 2006 to 2010. In total the researcher has taken 100 nos of SHGs of Dibrugarh District who have attained the second phase. While selecting these SHGs, purposive sampling method has been adopted. Though it is premature to comment that all the SHGs are underperforming firms, but it has been observed that they are in the nascent stage as being backed up by the Nanda Talukdar Foundation's recommendations

¹ Second phase means the SHGs who have successfully generated the revolving fund after fulfilling the requirements of the first phase

reproduced by Devi N (2009). Since the universe is too large, even a considerable number of selected samples may seem to be too small. However previous researchers have endorsed using fewer samples to identify emergent themes as is done in this research (geetz, 1973; McCracken, 1988; Thompson, 1996). However, due to several constraints, the study has been confined only to those SHGs who have registered themselves within the period of 2006 to 2010 and promoted themselves to the second phase.

Managerial activities have been classified into two different dimensions i.e. Functional dimension and Organisational decision dimension. For this study, the functional dimension includes accounting and marketing. However, it is important to note that one of the important function of SHG is production function but it has been excluded from the study due to wider scope of production line which the present researcher have limited knowledge to comment and carry on in depth study. On the other hand, the organizational decision dimension comprises of issues related to financial matters, expansion programmes and introduction to new technologies.

For collection of data a structural schedule has been constructed and provided to the members of the SHGs. In Sivasagar District, in total 1571 members of these SHGs have been accepted as sample respondent with the schedules completely filled up out of 1940 members to whom the schedule were served and in Dibrugarh District, in total 1124 members of these SHGs have been accepted as sample respondent with the schedules completely filled up out of 1317 members to whom the schedule were served in the first phase. After preliminary analysis of the data received from the schedule, 975 members of 140 SHGs in Sivasagar District and 714 members of 100 SHGs in Dibrugarh District have been personally interviewed in the second phase for clarification of certain points aroused after analysis of the schedule serve to them. The analysis has been done on the basis of simple arithmetical calculation only due to lack of randomness. The detailed response sheet has been depicted in the Annexure I and Annexure II.

MAJOR FINDINGS OF SIVASAGAR DISTRICT.

1. Less educated :- It has been observed that most of the members are less educated. (maximum school dropouts)
2. Area of activity:- In respect of nature of work of the SHG members a maximum of 46(i.e. 17.56%) SHG members are engaged in piggery and a minimum of 03 (i.e. 1.15%) SHG members are engaged in knitting.
3. Interested in attending Training Programme:- 1276 SHG members (i.e. 81.09%) are interested in attending training programme (like financial training) though they have taken other trainings.
4. Regarding maintenance of books of accounts:- It has been seen that 534 SHG members (i.e.33.99%) have the knowledge of maintenance of books of accounts. 1037 members (66.01%) have no knowledge about maintenance of books of accounts though they are maintaining the books of accounts with the help of others by paying fees/remuneration.
5. Books/Accounts prepared by SHG members:- It has been observed that 534 SHG members out of 1571 know the common book of accounts i.e. cash book. A few members have the knowledge of journal entry, ledgers etc.
6. Marketing knowledge:- The SHG members have expressed that they have marketing knowledge. But when the members are asked to know about the knowledge of the said matters the members seem to be confused.
7. Marketing functions:- The study disclose about the knowledge of marketing functions. Only 212(21.76%) members out of 974 respondents are of the view that they know about price fixation.
8. Organisational decision:- It is clear from the study that the members are concerned with organizational decision. Most of the members are related with financial matters. They also keep good relations with financial institutions and banks. Regarding other organizational decision like expansion of the organization, product expansion, market expansion, introduction of new technology the members have limited knowledge.

MAJOR FINDINGS OF DIBRUGARH DISTRICT.

1. Less educated:- It has been observed that most of the members are less educated mostly they are school dropouts.
2. Area of activity:- :- In respect of nature of work of the SHG members a maximum of 38(i.e.18.00%) SHG members are engaged in agriculture and cultivation and about 07 (i.e. 3.31%) SHG members are engaged in handloom.
3. Interested in attending Training Programme:- 858 SHG members (i.e. 79.00%) are interested in attending training programme (like financial training) though they have taken other trainings.
4. Regarding maintenance of books of accounts:- It has been observed that 298 SHG members (i.e.27.44%) have the knowledge of maintenance of books of accounts. 788 members (72.56%) have no knowledge about maintenance of books of accounts though they are maintaining the books of accounts with the help of others by paying fees/remuneration.



5. Books/Accounts prepared by SHG members:- It has been observed that 298 SHG members out of 1086 know the common book of accounts i.e. cash book. Only 20 members have the knowledge of journal entry, ledgers etc.
6. Marketing knowledge:- There is little difference among the members having the knowledge of marketing to that of not having marketing knowledge. When the members were asked to answer against the question on marketing, they cannot give any clear answer.
7. Marketing functions:- Only 216(34.29%) members out of 630 responded have said that they know about price fixation. However it is interesting note that they charge as per their own wish without following any price fixation mechanisms.
8. Organisational decision:- It is clear from the study that the members are concerned with organizational decision. Most of them are related with financial matters. They also keep good relations with financial institutions and banks. Regarding other organizational decision like expansion of the organization, product expansion, market expansion, introduction of new technology the members have limited knowledge like that of Sivasagar District.

MAJOR FINDINGS OF BOTH THE DISTRICTS

1. It has been observed that maximum members of SHGs are female.
2. It has been a general observation that the members are becoming responsible person as they have to follow Govt. guideline and have to keep regular contact with Banks, Block Development offices.
3. The members are becoming economically strong. They can meet their needs with their (Basically female members) own incomes. They also contribute to the total income of the family.
4. They do not possess considerable knowledge about Accounts and Finance.
5. They do not have specific knowledge about Marketing.
6. They are managing their organization in a very unscientific manner having no knowledge about market expansion, introduction of new technology and some basics of organizational management.

However it is important to note that the comments of the members of the specific SHGs which are taken into consideration for study has been highlighted here. These comments may not be the representation of the entire districts.

DISCUSSION

The study has disclosed that the members of the SHGs engaged in various activities have highlighted the importance of training. They revealed that proper training may help the members to become competent enough to handle various aspects of the SHGs. In the age of improved technology, various newly developed and sophisticated machineries may be handled. Training helps the members to know the present orientation of the SHGs. Respondents were of the view that Management Training not only in operational level but also for the organizational level is required. If there any difficulty exists in the functioning of the SHGs, management training helps them to show the path to take quick measures for its recovery.

It has been observed from the study that members of the SHGs have undergone many training programmes. In the Sivasagar district, the members of the SHGs have attended training on piggery, fisheries ,broiler farming. In Dibrugarh district, the members of the SHGs have also attended training on piggery and broiler farming. These training programmes help in increasing the efficiency in the production part. However they do not have any managerial training as of now. From the study, it has been identified that the members of the SHGs required the training mainly in the area of accounts and finance, organizational decisions, marketing because the maximum members engaged in SHGs are very weak in this part.

ADDRESSING THE RESEARCH QUESTIONS

1. Regarding the first research question of the study, it has been observed that the mapping of managerial problems faced by the members of the SHGs has created a need for managerial training. Further, it has been observed that in Sivasagar district 81.09% and in Dibrugarh district 79.00% of SHG members are interested to attend in managerial training.
2. Concerning the second research question of the study, it has also been observed that the members have received various types of trainings on production part e.g. training on piggery, broiler farming etc but these are not adequate for management part. These training make the members competent in production part only. But in the management part i.e. training on how to deal with business issues cropping out of keeping of accounts, marketing the products, making relation with banker for financial matters, decision on organizational matters etc. were not covered in those trainings properly which is very important for development of the SHGs.

CONCLUSION

Based on the comments put forward by the members of SHGs on training it was observed that the members of SHGs have admitted that they need training. They have mentioned that proper training may bring perfection among the members of the SHGs. In the days of improved technology, training may help to handle various newly developed and sophisticated machineries. Training helps to know the present orientation of the SHGs. Respondents were of the view that Management Training not only in operational level but also for the organizational level is required. If there exist any difficulty in the running of the SHGs, management training helps to take quick measures for its recovery. However, careful observations from the analyses have revealed that they do not know how to manage some basic activities. So it can be inferred that at first they are in need of functional training. In order to develop a workforce, being a member of the group first of all one has to equip himself/herself with the functions what s/he performs. If functional training is not available, then the team work cannot be performed. So far organizational decisions are concerned it has been observed that most of the team leaders were focused upon financial decisions. Regarding the expansion of the unit, product or service expansions, technological up gradation etc, it seems that they are not highly focused. However, in order to sustain in a competitive world, adequate finance is not only the solution. For this also it can be inferred that they are in need of managerial training.

Further from the methodological point of view, it has been observed that the respondents were more comfortable in addressing the issues when the interview method has been adopted. However when the questions were put forwarded from the schedule, it seems that they were giving some diplomatic answers. It has been observed that as because the questions were put from the schedule and the answers were recorded immediately in the schedule, the respondents were not found to be open. However, during the interview session as it was not recorded in the schedule by the researcher, they were observed to be more comfortable.

SUGGESTION

Based on the findings above, the following suggestion has been put forward to further generate socio-economic benefits of SHG programme for the SHGs. This would make the programme more effective for delivering socio- economic benefits, reduction of poverty and generation of self- employment opportunities. Based on the findings of the study a comprehensive Training module may be structured as per their requirement. The researchers suggested the following training module for the SHGs

PROPOSED MANAGERIAL TRAINING PROGRAMME FOR SHGs

1. Objective:- The sole aim of the SHG scheme is performing business activities. Therefore, all the members of the SHGs should know how to deal with business transactions.
2. Participants:-Both fresh and existing members may participate in the training programme.
3. Information required from the members of the SHGs prior to the training.
 - a. Name of the members with their full address.
 - b. Name of the Block Development Office under which SHG has been enlisted.
 - c. Whether they have attended any training programme or not?
4. Ideal size, fees etc and duration of the programme.
 - a.No registration fee may be required for registration.
 - b.30 (thirty) to 50 (fifty) members may register themselves for a training programme.
 - c.The duration of the training programme may be for 21(twenty one) days.
- 5.Details of the programme with the content;

Days	Contents	Resource Person
1 & 2	1. Overview of the process of the SHGs with the clarity of the objectives. 2. Matters related to registration process and phases of development (e.g.How to obtain second stage, third stage etc.)	Block Development Officer, Other officials of Block Office and Bank Personnel.
3	Mapping of the knowledge of the participants related to accounts	Commerce Graduates and Post-Graduates personnel as well as college teachers may be appointed as resource person
4 & 5	Basic accounting knowledge and Book-keeping	
6 & 7	Explanation of the terms and practical work with hypothetical examples.	Do
8 & 9	Discuss on simple hypothetical case related to maintenance of Accounts.	Do

10	Mapping of the knowledge of the participants related to marketing	Do
11 & 12	Basic marketing and sales knowledge	Do
13 & 14	Explanation of the terms and practical work with hypothetical examples.	Do
15 & 16	Discussion on simple hypothetical case related to marketing case	Do
17	Practical exposure with the bank personnel for financial decisions	Bank Officer
18 & 19	Practical exposure with the Production Experts for determining the cost of production and marketing policies/strategies	Production Manager of a specific industry.
20 & 21	a.Feedback and discussion on future plans. b.Award of certificates.	Block Development Officer, Social worker, Influential person of the society, Qualified retired person etc.

6. Examination and Evaluation

Instead of test or examinations, continuous evaluation through discussion may be the better process of measuring their efficiency. If the systems of tests or examinations would kept for measuring their efficiency, majority of the trainees may not appear or seat in the examination or may discontinue the training programme. Though the members of the SHGs are interested to attend in the training programme but they may not be interested to seat for the test.

7. Issue of Certificates

On the last day of the scheduled training programme, a small meeting may be arranged by the office of the BDO's or Panchayat. A resource person (well-known person of this locality such as social worker, influential person, qualified retired person) may be invited for delivering lectures for their future benefit. On the same day, a bonafide official certificate may be issued to each and every SHG members who have joined the training. This certificate may help the members of the SHGs to get governmental assistance or subsidy under various schemes. The certificate holders (members) may be allowed to provide initial training to the SHG members who are yet to enlist their names in the BDO' office or Panchayat's office.

8. Implementation of the programme.

D.R.D.A. (District Rural Development Agency) or SIRD (State Institute Rural Development) may implement this training programme. The training programme may also be implemented by the both Block development Offices and Panchayats as per direction of the DRDA (District Rural Development Agency) and SIRD (State Institute Rural Development).

9 .Next phase .

After completion of the first phase of training on the said course, next phase of training may be kept ready for the trainees if needed. The second phase of the training may cover the remaining part of the accounting, marketing and organizational strategies. When the size of the business will be big, its volume of sale will also increase, market will also expand, the business will introduce new technologies etc. then the programme will have to be designed as per the requirement of the trainees. The programme may include the usage of technology, Production design, Advertising and promotional activities etc.

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Annexture :- I

Selection process of samples in Sivasagar District

No. of SHGs have been taken	Total Number of Members of 140 SHGs	No. of SHG Members to whom the schedule has been served	No. of SHG Members being personally interviewed
140	1940	1571	975

Annexture :-II

Selection process of samples in Dibrugarh District

No. of SHGs have been taken	Total Number of Members of 100 SHGs	No. of SHG Members to whom the schedule has been served	No. of SHG Members being personally interviewed
100	1317	1124	714