



## Role of Entrepreneurship Development Programs in Strengthening Organisational Competence

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### Abstract:

*Entrepreneurship Development Programs (EDPs) are structured initiatives that aim to build entrepreneurial skills, managerial capacity, and institutional support for new and existing enterprises. In India, EDPs are run by government bodies, academic institutions, industry associations and non-profits. This paper examines how EDPs strengthen organisational competence -defined here as the ability of a firm to perform effectively, innovate, and grow sustainably. The paper discusses types of EDPs, theoretical links between training and organisational capability, practical examples from Indian institutions (EDII, NIESBUD, SIDBI, MSME Development Institutes), and the measurable outcomes of well-designed programs. It also highlights challenges and provides recommendations to improve design and delivery of EDPs so they have stronger impact on firms, especially micro, small and medium enterprises (MSMEs) and startups. The findings show that EDPs improve managerial skills, financial literacy, market access, technology adoption and organisational culture — but their success depends on relevance, follow-up support, local adaptation and access to finance.*

**Keywords:** *Entrepreneurship Development Programs (EDP), Organisational Competence, MSMEs, EDII, NIESBUD, SIDBI, Skill Development, India.*

### Introduction:

Entrepreneurship is a key engine of economic growth, job creation and social change. In India, governments and institutions have promoted entrepreneurship to achieve inclusive growth and increase self-employment. Entrepreneurship Development Programs (EDPs) are central to this effort. EDPs train potential and existing entrepreneurs in business planning, marketing, finance, legal compliance, technology and leadership. They also

provide mentoring, incubation and linkages to credit and markets.

Organisational competence is a firm's bundle of skills and routines that allow it to compete and adapt. For small firms and startups, managerial and organisational weaknesses are often bigger constraints than lack of ideas or demand. Therefore, effective EDPs that build organisational competence can help firms survive, scale and contribute to regional development.

This paper explores the role of EDPs in strengthening organisational competence in the Indian context. It uses published reports and institutional best practices to present evidence and recommendations.

### Objectives of the Study:

1. To define how EDPs influence organisational competence.
2. To examine types of EDPs operating in India and their core components.
3. To analyse the outcomes of EDPs on firm performance, innovation and management.
4. To identify challenges in EDP design and delivery and propose improvements.

### Review of Literature:

Indian literature on entrepreneurship training underlines that simply providing credit is not enough; skills, networks and market knowledge matter equally. Research by the Entrepreneurship Development Institute of India (EDII) and NIESBUD has shown that training increases business survival rates and helps entrepreneurs adopt better accounting and marketing practices. Studies of MSME Development Institutes and SIDBI programmes indicate that entrepreneurship training improves access to formal finance because trained entrepreneurs keep better records and present stronger project reports.

Literature from NITI Aayog, Ministry of MSME, and academic studies from Indian management institutes also suggest that integrated interventions — combining training, mentoring and financial linkages — deliver the best results. However, the literature warns that short one-

time workshops have limited long-term impact without follow-up and monitoring. The consensus is that EDPs must be practical, locally relevant and supported by institutional linkages.

### Theoretical framework - from Training to Organisational Competence:

Organisational competence builds from three linked elements: knowledge, routines and resources.

- **Knowledge:** Training transfers explicit knowledge — financial accounting, marketing, legal compliance — and supports tacit learning through mentoring.
- **Routines:** Repeated practices (e.g., monthly bookkeeping, quality checks) institutionalise good management. EDPs that teach routines help firms standardise processes.
- **Resources and networks:** EDPs often provide linkages to credit, suppliers and markets. These external resources complement internal skill building.

The theoretical logic is: EDP → knowledge and routines → improved management practices → better use of resources and adaptation → higher organisational competence and performance.

### Core components of successful EDPs:

**Practical Curriculum:** Business planning, cash flow, digital marketing, legal compliances.

**Experiential Learning:** Field visits, live projects, role plays and case studies.

**Mentoring and Coaching:** One-to-one guidance by experienced entrepreneurs.

**Access to Finance:** Assistance for loan applications, improving bankability and

connecting to SIDBI, NABARD, or MSME schemes.

**Market Linkages:** Support for participation in trade fairs, e-commerce onboarding and buyer connections.

**Follow-up Support:** Regular check-ins, refresher modules, and peer networks.

### Types and components of Entrepreneurship Development Programs in India:

Type of EDP	Duration	Target Group	Main Focus Areas
<b>Awareness Programs</b>	1–3 days	New/aspiring entrepreneurs	Basic concepts, motivation building
<b>Skill Development Courses</b>	Few weeks–months	Existing & new entrepreneurs	Technical skills, business management
<b>Incubation Programs</b>	6 months–2 years	Startups, innovation-based ventures	Mentoring, funding, prototype support
<b>Sectoral EDPs</b>	Variable	Specific industry groups	Industry-specific skills
<b>Women-focused EDPs</b>	Few days–weeks	Women entrepreneurs	Leadership, confidence, finance literacy
<b>Rural Entrepreneurship EDPs</b>	Few days–weeks	Rural youth, SHGs	Local resources, micro-enterprise setup

### Methodology:

This paper uses a descriptive and analytical approach based on Indian institutional reports, programme evaluations, policy documents and case examples. Sources include EDII, NIESBUD, SIDBI, Ministry of MSME, NITI Aayog, National Skill Development Corporation (NSDC) and published case studies from Indian business schools. The paper synthesises findings across these sources to draw lessons on how EDPs strengthen organisational competence.

### How EDPs Strengthen Organisational Competence - Empirical Lessons and Mechanisms:

#### 1. Building Managerial Skills and Systems:

Many small businesses in India are family-run and lack formal management systems. EDPs teach bookkeeping,

budgeting, human resource basics and legal compliance. When entrepreneurs adopt these systems, they build clearer roles, improve cost control and make better investment decisions. Evidence from EDII alumni shows increased use of formal accounts and bank transactions after training.

#### 2. Enhancing Financial Readiness and Access to Credit:

Banks and investors prefer enterprises with credible records and business plans. EDPs help entrepreneurs prepare loan proposals, financial projections and cash-flow statements. SIDBI and MSME training programmes frequently report higher loan sanction rates for trained entrepreneurs compared to untrained ones.

#### 3. Encouraging Technology Adoption and Innovation:

EDPs with a focus on digital skills encourage firms to adopt online sales

channels, cloud accounting and digital marketing. This leads to wider market reach and efficiency. Incubation programmes also support prototyping and product development, strengthening the firm's innovative capability.

#### **4. Improving Market Knowledge and Networking:**

EDPs often link entrepreneurs to buyers, suppliers and industry networks. Trade fair support, buyer introductions and cluster development help firms move from local to regional or national markets. Market exposure also helps firms learn quality standards and scale up production.

#### **5. Strengthening Leadership and Organisational Culture:**

Courses that include leadership, communication and conflict management help founders professionalise their firms. A positive organisational culture increases employee retention, productivity and willingness to innovate.

#### **6. Supporting Scaling and Institutionalization:**

EDPs that include modules on scaling strategy, governance and legal structures encourage entrepreneurs to move from sole proprietorship to formal companies or partnerships. Institutionalisation is necessary for attracting larger investors and entering new markets.

#### **Notable Indian Institutions and Best Practices:**

##### **1. Entrepreneurship Development Institute of India (EDII):**

EDII provides long-term entrepreneurship education, incubation and research. Its model combines classroom teaching with enterprise projects and credit

linkages, showing good results in graduate entrepreneurship and firm survival.

##### **2. National Institute for Entrepreneurship and Small Business Development (NIESBUD):**

NIESBUD focuses on training master trainers and conducting national outreach. Its strength is capacity building for trainers who then run local EDPs, creating scale.

##### **3. Small Industries Development Bank of India (SIDBI) and MSME Development Institutes:**

SIDBI's "Fund of Funds" and MSME institutes combine finance with technical support. SIDBI's programmes often include mentoring and cluster development assistance which helps firms become investable.

##### **4. National Skill Development Corporation (NSDC) and Sectoral Missions:**

NSDC links skill training with industry demand. Many EDPs are now co-designed with industry partners to ensure trainees get market-relevant skills.

##### **5. State and University Incubators:**

Several states and universities run incubators that provide co-working space, seed funding and mentorship. These programmes are effective when they maintain strong industry links.

#### **Case Examples:**

##### **1. A Textile Micro-Enterprise in Surat:**

An SHG group attended a district EDP on dyeing and quality control. After training, they introduced standard operating procedures, adopted digital inventory tracking and connected with a cluster marketer. Within one year they doubled

turnover and secured a contract with a retail chain.

## 2. A Food Processing Startup in Maharashtra:

The founder obtained incubation support from a university EDP which included business model testing and lab access. The startup improved packaging and shelf life, obtained an MSME loan and started supply to supermarkets.

These case stories show that EDPs that combine technical skills, market testing and finance linkages produce tangible organisational improvements.

### Challenges and Limitations of Existing EDPs:

- **One-size-fits-all content:** Many EDPs use standard curricula that do not match local needs or sector realities. This limits practical application.
- **Short duration and weak follow-up:** Short workshops create awareness but not long-term change. Lack of mentoring and post-training handholding reduces impact.
- **Limited reach in rural and disadvantaged areas:** Rural entrepreneurs and women often do not access EDPs due to mobility, timing and cultural barriers.
- **Quality of trainers:** Effective EDPs require skilled trainers with industry experience. However, many trainers lack practical business exposure.
- **Access to finance remains constrained:** Training increases bankability but systemic credit barriers (collateral, rigid lending criteria) still constrain scaling.

### Policy Recommendations to Improve EDP Effectiveness:

- **Contextualise training content:** Design sectoral and region-specific modules that address local markets and resource realities.
- **Longer duration with phased modules:** Move from one-time workshops to phased learning over months with milestones.
- **Mentoring and peer networks:** Pair entrepreneurs with mentors and create peer learning groups for continuous support.
- **Integrate finance and market linkages:** Make credit facilitation and buyer introductions core parts of EDPs, not add-ons.
- **Trainer capacity building:** Invest in master trainers who have industry experience and teaching skills.
- **Use digital tools for scale:** Hybrid delivery (online + offline) helps reach remote areas while keeping practical components local.
- **Gender-sensitive design:** Offer women-friendly timings, childcare support during training and women-only cohorts where needed.
- **Monitoring, evaluation and feedback:** Track outcomes (sales growth, jobs created, credit accessed) and adapt programs accordingly.
- **Public-private partnerships:** Encourage corporates to adopt local EDP cohorts and provide market linkages and procurement opportunities.
- **Incentivise formalisation:** Link training outcomes with simplified registration and certification to

encourage firms to adopt formal structures.

### Conclusion:

Entrepreneurship Development Programs play a vital role in strengthening organisational competence among Indian enterprises. Well-designed EDPs build managerial capacity, improve financial readiness, encourage technology adoption, and expand market access. When EDPs combine practical training with mentoring, finance linkages and market exposure, they help firms move from survival to growth and innovation.

However, to realise the full potential of EDPs, policymakers and practitioners must focus on relevance, follow-up support, trainer quality and financial linkages. Special attention is needed for rural entrepreneurs, women, and marginalised groups to ensure inclusive impact. With the right mix of policy support and institutional design, EDPs can be a powerful tool to strengthen organisational competence and support India's march towards greater entrepreneurship and job creation.

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