



Effectiveness of Entrepreneurship Development Training Programmes on Business Growth of SMEs

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ABSTRACT

This paper aims to investigate the impact of the Entrepreneurship Development Training Programme (EDTP) on the business growth of Small and Medium-scale Enterprises (SMEs) in the Nuwara Eliya district in Sri Lanka. The data were collected over purposively administering structured questionnaires from 100 respondents who completed EDTP in Nuwara Eliya district, Sri Lanka. The Partial Least Square Path Modelling (PLS) was performed to explore the impact of three EDTP dimensions, business knowledge and practice, business performance, and psychological indicators, on business growth through two mediating variables, increase in investment and formalization. The regression analysis results indicated that all hypotheses have a positive impact on business growth except two hypotheses. Findings indicate a positive but not significant impact of business knowledge and practices on formalization. There is a negative and not significant impact of psychological indicators on increases in investment. The findings provided new ways to develop EDTP strategies for SMEs by considering increases in investment and formalization.

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INTRODUCTION

Many scholars have recognized the crucial role played by entrepreneurship in economic development globally. Everyone is shifting the focus to entrepreneurship as a result of the fact that it might facilitate economic growth and development potential (Masa'deh et al., 2018; Ismail, 2018; Adimah & Perry, 2014; Waita, 2014). It is therefore paramount to understand that entrepreneurship will be the only driver of economic growth in developing nations; it will be an agent of job creation and enhance competitiveness (Waita, 2014).

Entrepreneur Development Training Programmes (EDTPs) play a great role in the development of business and industry. EDTPs are based on the thinking that the attitude of people can be changed by developing their skills. These are not just training programmes, but it is a technique that helps to increase motivation, working capacity, and knowledge of the prospective entrepreneurs (Park & Choi, 2018). The impact of entrepreneurship training programmes is assessed using a variety of indicators which can be broadly classified into three categories: indicators of business practices, indicators of business performance, and psychological indicators (Ismail, 2018). The indicators of success should be adapted to suit the objectives and target group of the programme.

Empirical research of Masa'deh et al. (2018), identifies many indicators of business performance to measure the effectiveness of EDTPs. These include entrepreneurship intentions (Adjimah & Perry, 2014), entrepreneurial skillset and mindset efficacy (Park & Choi, 2018), productivity (Ho et al., 2018), business knowledge and practices (Ismail, 2018), and business performance (micro-finance, grants) programme elements (Khalili et al., 2014). However, it is generally difficult to obtain a consensus on the effectiveness of these programmes because they differ significantly in terms of length, content, and target group (Fox and Kaul, 2017). This study measures effectiveness of EDTPs through the business growth in Small and Medium-scale businesses. Business growth can be defined as an *“Increase in sales, increase in the number of employees, increase in profit, increase in assets, increase in the firm’s value and internal development. Internal development comprises the development of competencies, efficient organizational practices, and the establishment of the professional sales process”* (Achtenhagen et al., 2010, p.5).

Following Wijesekara et al. (2016), subsequent research conceptualizes the effects of EDTPs on business growth as fully mediated by one or more constructs including increases in investment, increase in formalization, trust, commitment, cooperation, and efficiency. These variables have many antecedents (Park & Choi, 2018). However, in some research, the model increases investment as a mediator between two antecedents: psychological indicators and business performance (Ismail, 2018). Fox and Kaul (2017) argue that no empirical consensus exists in the causal ordering of either antecedent or mediating variables. Additionally, the literature provides mixed results for the effects of some antecedent and mediating variables upon business growth outcomes (De Mel et al., 2014).

Such empirical disagreement points to a need for further research in some areas. Specifically, Ismail (2018) point to under-researched constructs, including business knowledge and practice, business performance, and psychological indicators as mediators of increases in investment and increase in formalization occupy key roles. However, empirical studies show that increases in investment and an increase in formalization may be more important than trust and commitment (De Mel et al., 2014).

Although many research studies exist, most focus on Western contexts, with few exceptions (Park & Choi, 2018). Recently, however, studies conducted in other countries begin to appear in the literature, including studies in Singapore (Razzaque & Boon, 2003); China (Zhang et al., 2006); Taiwan (Lai, 2007), and Japan (Chung et al., 2006). According to the current development indicators of the world, Sri Lanka can be identified as an emerging country. The Small Medium Enterprise (SME) sector has been identified as an important strategic sector in the overall policy objectives of the Government of Sri Lanka (GOSL) and it is seen as a driver of change for inclusive economic growth, regional development, employment generation, and poverty reduction. The SME sector is envisaged to contribute to transforming lagging regions into emerging regions of prosperity (Ease of doing business, 2019). However, limited studies have been done in the Sri Lankan context.

The present study makes two significant contributions to the extant entrepreneurship literature. First, the effectiveness of EDTPs (i.e., business knowledge and practice, business performance, and psychological indicators) and the mediating effects of increases in investment and increase in formalization upon business growth are empirically tested. This is one of the

first empirical papers to model increases in investment and increases in formalization in a mediation role with business growth, both of which are under-researched (Park & Choi, 2018; De Mel et al., 2014), thus filling gaps in the literature. Second, the theoretical model is tested in an emerging country (i.e., Sri Lanka). To fill the aforementioned research gaps, this paper examines the impact of the Entrepreneurship Development Training Programme (EDTP) on business growth through increases in investment and increase in formalization with special reference to entrepreneurs in Nuwara Eliya District, Sri Lanka.

LITERATURE REVIEW

Entrepreneurship training programmes are implemented in developed and developing countries to enable individuals to become self-employed by running their businesses (Field, 2011; Jayachandran & Pande, 2010). Programmes that provide training for entrepreneurs often include other interventions such as micro-finance, grants, internships, or mentorship (Cho and Honorati, 2014; De Mel et al., 2014; Patel, 2014; McKenzie & Woodruff, 2013). Everyone is shifting the focus to entrepreneurship as a result of the fact that it might facilitate economic growth and development potential (Ismail, 2018; Adimah & Perry, 2014; Waita, 2014; Nguru, 2009). It is therefore paramount to understand that entrepreneurship will be the only driver of economic growth in developing nations; it will be an agent of job creation and enhance competitiveness (Waita, 2014).

EDTP may be defined as a programme to help an individual in strengthening his entrepreneurial motive and in acquiring skills and capabilities necessary for playing his entrepreneurial role effectively. EDTP has been also recognized as an effective human resource development tool while it is a training-cum-counselling programme. In line with that Sri Lankan government established the Small Enterprise Development Division (SEDD) in 1982 with the objective of implementing suitable programmes to assist entrepreneurs for the economic development of the country. Especially its services and facilities targeted to the unemployed youth who are being employed by facilitating, knowledge, resources, coordination, and other services to start new enterprises or improve their existing enterprises. The major role of the establishment is to induce persons to start new enterprises in the potential sector and to improve already existing enterprises, and to conduct training programmes for the improvement of skills, knowledge, and attitudes in entrepreneurship and for the

development of enterprises with the aim of creating an entrepreneurial culture in Sri Lanka.

Business Growth

According to Penrose (2006), growth is the product of an internal process in the development of an enterprise and an increase in quality and/or expansion. Growth is defined as “*a change in size during a determined time span*” (Dobbs & Hamilton, 2007, p.313). Business Growth defines as the process of improving some measure of an enterprise's success (Patel, 2014). Business growth can be achieved either by boosting the top line or revenue of the business with greater product sales or service income or by increasing the bottom line or profitability of the operation by minimizing costs (Achtenhagen et al., 2010). Omri and Ayadi-Frikha (2014) identified the positive effect of innovation on growth. To date, there are only a handful of rigorous impact assessments of entrepreneurship training programmes that utilize randomized control trials and thus provide reliable evidence on the impact of entrepreneurship training programmes, although the body of evidence is growing (Cho & Honorati, 2014; Patel, 2014).

A well-trained entrepreneur will portray most of the entrepreneurial traits. These traits will then be translated into business growth with the following results, satisfied customers demonstrated by repeat buying, customer loyalty and increase in sales volume, well-kept business records, satisfied workers and reduced labour turnover, and finally increase in capital investment and employment creation (Kithae et al., 2013). Delmar (1997) focuses his review on growth as a dependent variable. De Mel et al. (2014) show the calculation of single performance indicators of growth affect model building and theory development, arguing that the growth literature has put too little emphasis on the measurement of growth.

Business Knowledge and Practice

Drucker (1993) considers the knowledge one has today as the knowledge that enables action. And such knowledge is information in action and information focused on results. These results are seen outside the person – in society and economy, or in the advancement of knowledge itself. To accomplish anything, this knowledge has to be highly specialized. Knowledge is created through the conversion of data into meaningful information that

allows the world to be understood in new ways resulting in new ideas, research, innovation, inventions (Ahunanya, et al, 2011). Knowledge is an indispensable asset to any organization that, when it is properly harnessed, managed, and utilized, will not only bring about increased productivity but also expansion, growth, and sustained profitability to the organization. Overall, entrepreneurship training programmes are effective in terms of improving business knowledge and practices (Ismail, 2018). The meta-analysis of 37 entrepreneurship programmes revealed that positive changes in business knowledge or practices were detectable in the short term (Cho & Honorati, 2014). However, Patel (2014) finds that entrepreneurship training improves the business knowledge of female entrepreneurs. Giné and Mansuri (2014) found that business training increased business knowledge for all of the CO members who were interviewed. Business training led to improved business practices such as the recording of sales and the separation of business and household finances.

Business Performance

Entrepreneurial activities are increasingly regarded as important to firms, but in today's complex global economy, entrepreneurship has become even more crucial towards obtaining a sustainable competitive advantage (Wiklund & Shepherd, 2005). Due to globalization, small and medium-sized enterprises (SMEs) face increasing pressure from competition from across the world (Chattopadhyay et al., 2001). SMEs are encouraged to implement an entrepreneurial mindset to recognize the threats and opportunities in the environment of the firm in order to make sure that the firm will continue to exist in the future (Krueger, 2000). The impact of entrepreneurship training programmes can be magnified by combining training with finance, as such programmes are more effective in terms of fostering self-employment and as well as helping entrepreneurs to improve business performance and operations (Cho & Honorati, 2014; De Mel et al., 2014). In periods of economic and environmental turbulence, it becomes even more apparent that firms face particularly high levels of market instability and complex business uncertainty that obliges firms to act upon such change (Grewal & Tansuhaj 2001; Lin & Carley 2001).

Business performance is assessed further through indicators such as earnings, profit, sales, or inventory (Patel, 2014, McKenzie & Woodruff, 2013). Sales may also be considered a precise indicator of how a firm is competing

relative to its market (Barringer et al., 2005). Business performance is assessed further through indicators such as earnings, profit, sales, or inventory (Patel, 2014, McKenzie & Woodruff, 2013). Glaub and Frese, (2011) state that the six-entrepreneurship training programmes, which employed rigorous impact assessments in their review study, found that training had positive effects on psychological factors, business success, and business management skills. Wiklund (1999) suggested that a measurement scale for SME business performance should have indicators for growth as well as for financial performance.

Psychological Indicators

Glaub and Frese (2011) state that the six-entrepreneurship training programmes, which employed rigorous impact assessments in their review study, found that training had positive effects on psychological factors, business success, and business management skills. In addition, training on psychological factors has a favorable impact on business growth. In addition, training on psychological factors has a favorable impact on business growth (Radipere, 2012). Concerning the psychological characteristics associated with entrepreneurial intention, Bygrave (1989) puts forward a model that includes: the need for achievement, internal locus of control, tolerance for ambiguity, and propensity to risk-taking. Robinson et al. (1991), in turn, propose how achievement, innovativeness, control, and self-confidence might be good predictors of entrepreneurial attitude. In general, the main psychological characteristics associated with entrepreneurship focused on the literature are: dedication, propensity to take risks or growth intention, self-confidence, need for achievement, tolerance to ambiguity, and innovativeness. Baum et al. (2006) proposed a reconsideration of the influence of entrepreneurial traits if a better understanding of the entrepreneurship process is to be achieved. People with traits like the need for achievement, risk-taking propensity, and locus of control have been observed to be more amenable to entrepreneurship education outcomes like increased entrepreneurship intention compared to those who exhibit less of those characteristics (Hansemark, 2003).

Increase in investment

Entrepreneurship ability, as defined by Schumpeter (1994), is the ability to perceive and undertake business opportunities, taking advantage of scarce resource utilization. A key issue for assessing the success of an

entrepreneurship training programme is estimating the long-term benefits of the programme (Ismail, 2018). Accordingly, Patel (2014) provides some insight with regard to indicators for short-term versus long-term assessments by distinguishing between the intermediate and outcomes of entrepreneurship training programmes. Hoy et al. (1992) recorded that a wide variety of growth measures were used, ranging from increased market share or enhanced venture capital funding to growth in revenue, return on investment, or the number of customers of a firm. The entrepreneurship training programmes improve the business practices, investments, and loan terms for businesses as well as improving business and financial knowledge on average (Valerio et al., 2014).

Formalization

Enterprise formalization refers to a process that firms go through when formalizing their business. It has various dimensions; registration and licensing with the national, provincial, and municipal authorities, access to social security for the business owner and his/her employees, Compliance with the legal framework, including tax, social security, and labor laws. Formalization takes place in stages. An entrepreneur may, for example, have a municipal operating license to run the business at its location whilst not having registered with the tax, labor, and social security offices (ILO, 2017). Formal businesses benefit from enterprise formalization in the sense that it reduces unfair competition by informal firms. Formalizing enterprises gain access to finance, business development services, and technologies and reduce their exposure to government fines. They can also participate in public biddings or act as suppliers or retailers of larger companies. It is also important that entrepreneurs increase productivity as this improves their income and thus their capacity to cover the costs associated with being formal (ILO, 2017). Entrepreneurship Development Programmes also look at performance outcomes related to improved business practices, which in the case of SMEs can include the formalization of an enterprise (Botha 2006).

Intermediate factors which were found to influence the business growth are increases in investment and formalization. While the literature review highlighted the importance of the entrepreneurship development training programmes, and few kinds of literature highlighted the importance of entrepreneurship development training programmes in government institutes in Sri Lanka, hence a knowledge gap.

Conceptual Framework and Hypotheses

Miles and Huberman (1994) define that a conceptual framework explains either graphically or in a narrative form the main things to be studied. The conceptual framework shown below in figure 1 was developed based on the literature review. In this model, the dependent variable is business growth to be achieved by effective entrepreneurship development training programmes. The independent variables include business knowledge and practices, indicators of business performance, and psychological indicators, and also, there are two intermediate variables, i.e., increases in investment and formalization.

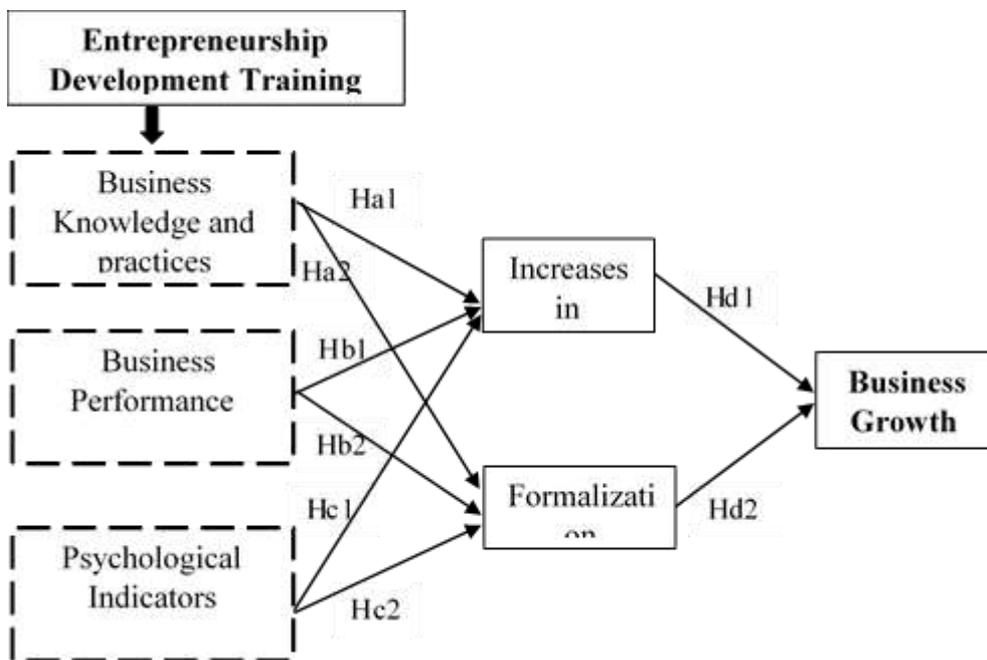


Figure 1: Conceptual Framework

Business Knowledge and Practices

Overall, entrepreneurship training programmes are effective in terms of improving business knowledge and practices (Ismail, 2018). Giné and Mansuri (2014, p.123) found that “*business training increased business knowledge for all of the CO members who were interviewed. Business training led to improved business practices such as the recording of sales and the separation of business and household finances.*” There are the questionable areas under this indicator, formalized record-keeping (Cho & Honorati, 2014, Patel, 2014, McKenzie &

Woodruff, 2013), separating household and business income (Cho & Honorati, 2014; Patel, 2014), separate business account (Cho & Honorati, 2014), improved marketing strategies (De Mel et al., 2014; Patel, 2014; Valerio et al., 2014) and more strategic orientation (Valerio et al., 2014). Stock-keeping practices (De Mel et al., 2014). By based on these kinds of literature following hypothesis are formulated;

Ha1: There is a positive impact of business knowledge and practices on increases in investment

Ha2: There is a positive impact of business knowledge and practices on formalization

Business Performance

Entrepreneurship training programmes often target existing and aspiring entrepreneurs; therefore, the rate of business start-up after the intervention is an indicator of success (Patel, 2014). Start-up rates are modest in the short term and generally dissipate over the long run. Two studies find that the control group eventually catches up with the treatment group in terms of setting up a new business (De Mel et al., 2014; Giné & Mansuri, 2014). Business performance is assessed further through indicators such as earnings, profit, sales, or inventory (Patel, 2014, McKenzie & Woodruff, 2013). Cho and Honorati (2014) found statistically significant and positive effects for entrepreneurship training only programmes on firm performance among the youth. These are the questionable areas under this indicator, income and profits. More specifically, individual salary, business profits, assets, and household consumption were assessed (Cho & Honorati, 2014). Few studies considered the rate of new business start-ups but some used proxies such as self-employment and increased business income (Valerio et al., 2014). Based on these kinds of literature following hypothesis are formulated;

Hb1: There is a positive impact of business performance on increases in investment

Hb2: There is a positive impact of business performance on formalization

Psychological Indicators

Glaub and Frese (2011) state that the six-entrepreneurship training programmes, which employed rigorous impact assessments in their review study, found that training had positive effects on psychological factors, business success, and business management skills. In addition, training on psychological factors has a favorable impact on business growth. Concerning the psychological characteristics associated with entrepreneurial intention, Bygrave (1989) puts forward a model that includes: the need for achievement, internal locus of control, tolerance for ambiguity, and propensity to risk-taking. Robinson et al. (1991), in turn, propose how achievement, innovativeness, control, and self-confidence might be good predictors of entrepreneurial attitude. In general, the main psychological characteristics associated with entrepreneurship focused on the literature are: dedication, propensity to take risks or growth intention, self-confidence, need for achievement, tolerance to ambiguity, and innovativeness. Based on these kinds of literature following hypothesis are formulated;

Hc1: There is a positive impact of Psychological indicators on increases in Investment

Hc2: There is a positive impact of Psychological indicators on Formalization

Increases in Investment

A key issue for assessing the success of an entrepreneurship training programme is estimating the long-term benefits of the programme (Ismail, 2018). Accordingly, Patel (2014) provides some insight with regard to indicators for short-term versus long-term assessments by distinguishing between the intermediate and outcomes of entrepreneurship training programmes. Based on this literature, apart from those hypotheses, there is a hypothesis build as intermediate variables in this study;

Hd1: There is a positive impact of increases in investment on business growth

Formalization

Formal enterprises tend to perform better than informal enterprises in terms of survival rate, size, and growth. Informal enterprises relatively often operate from a poor location (with less-developed economic and physical

infrastructure), with labor-intensive production methods and/or obsolete machinery, operated by employees with relatively low education and skill levels (Ishengoma & Kappel, 2006). To contribute to the formalization of firms by creating the conditions in which informal firms find that formalization offers more benefits than cost, along with the use of better enforcement mechanisms (ILO, 2013). Based on these kinds of literature following hypothesis is formulated;

Hd2: There is a positive impact of formalization on business growth

METHODOLOGY

The research is started with and on a designed hypothesis, and it is testing and an aim of testing for a theory (Kumar, 2019). This study followed the deductive research approach and testing the existing theoretical knowledge using the descriptive research method. Descriptive research is defined as a research method that describes the characteristics of the population or phenomenon that is being studied. This methodology focuses more on the “what” of the research subject rather than the “why” of the research subject (Hair et al., 2017).

Population, Sample, Questionnaire Design and Data Collection

A research population is also known as a well-defined collection of individuals or objects known to have similar characteristics (Kumar, 2019). The research population for this research is considered as the entrepreneurs who have completed an entrepreneurship development training programme (EDTP) in Nuwara Eliya district. Small Enterprise Development Division which is attached to the Ministry of Sports and Youth Affairs, organized EDTP to assist the generation of enterprises in the sectors with potential for the economic development of the country and to assist the development of already existing small enterprises and potential entrepreneurs. The sample frame is based on the registered list of entrepreneurs who have successfully completed the entrepreneurship development training programme in the Small Enterprise Development Division (SEDD), Nuwara Eliya. Primary data were collected from entrepreneurs who successfully completed entrepreneurship development programmes in Small Enterprise Development Division conducted by Nuwara Eliya district in recent ten years (from 2009 to 2019) using a purposive sample technique. 150 Questionnaires were distributed, and collected 100

questionnaires from the respondents. Subsequent data analyses were conducted on the 100 usable questionnaires. The response rate was 67%. Out of valid 100 respondents, 69% of respondents are male, while 31% are female. In addition to that, the majority of the respondents (30%) are at the age of 40 or above, and 11% are at the age of 25 or below. 14% of the respondents are in the 26-30 categories, while 19% are in the 31-35 range. 26% of respondents are in the age category 36-40. The majority of the sample is represented by the advanced level education category with 71% and 1% from postgraduate level, 6% from primary level, 2% graduate's category, 20% from an ordinary level category from the respondents. Out of valid 100 respondents, 91% are engaging in the sole enterprise as the line of the business. 37% are in doing business in manufacturing and service sector. 50% of the respondents have been selected Management module is the important part of the training program. 30% and 20% of respondents have been selected AMT and Business Plan, respectively. After completing the EDTP programme, 91% of respondents apply management concepts in their business, while 86% of respondents have changed their marketing strategies.

The first part of the questionnaire was focused on the background details of the respondents, while the third section was focused on the demographic characteristic. The second part of the questionnaire consists of the research variables questions. To measure business knowledge and practice, five items were adapted from De Mel et al. (2014) and Berg et al. (2019). To measure business performance, five items were adapted from Cho and Honorati, (2014). Psychological indicators consisted of five items were adapted from Patel (2014) and Valerio et al. (2014). Increase in investment and formalization consisted of five items, respectively, adapted from De Mel et al. (2014). To measure business growth, eight items were adapted from Achtenhagen et al., (2010) and Selvin and Covin, (1997). The questions were developed by using a five-point scale ranging from "1= strongly disagree" to "5= strongly agree".

RESULTS AND DISCUSSION

The results gathered from the descriptive statistical analysis in this study include general information related to the entrepreneurship training development programme which is selected for the study, then analyze the demographic characteristics of the respondents. Meanwhile, the results of inferential analyses are presented for hypothesis testing using reliability and validity analysis. SmartPLS is one of the prominent software applications for

Partial Least Squares Structural Equation Modeling (PLS-SEM). PLS-SEM models are path and alternative to covariance-based structural equation modeling (SEM) (Hair et al., 2017). This study uses SmartPLS 3 software to assess the effect of manifest variables on business growth in Small and Medium-scale Enterprises. Fornell and Larcker (1981) suggest that the square root of AVE in each latent variable can be used to establish discriminant validity. In absolute value terms, if the top number (which is the square root of AVE) in any factor column is higher than the numbers (correlations) below it and also larger than those in row value, there is discriminant validity (Garson 2016). Table 1 shows each latent variable discriminant validity. The result indicates the discriminant validity is well established for the model.

Table 1: Discriminant Validity for the Conceptual Model

	1	2	3	4	5	6
Business Growth	0.726					
Business Knowledge and practices	0.563	0.71				
Business Performance	0.683	0.524	0.786			
Formalization	0.663	0.472	0.551	0.743		
Increases in Investment	0.552	0.542	0.683	0.451	0.748	
Psychological indicators	0.558	0.589	0.614	0.536	0.397	0.811

Source: (Survey Data, 2020)

The square of a standardized indicator's outer loading represents how much of the variation in an item is explained by the construct and is described as the variance extracted from the item. An established rule of thumb is that a latent variable should explain a substantial part of each indicator's variance, usually at least 50%. This also implies that the variance shared between the construct and its indicator is larger than the measurement error variance. Note that in most instances, 0.70 is considered to be acceptable (Hair et al., 2017). Therefore, outer loadings of 0.7 or higher are considered highly satisfactory (Bagozzi & Yi, 1988. Hair et al., 2017). Generally, indicators with outer loadings below 0.70 should be considered for removal from the scale only when deleting the indicator leads to an increase in the composite reliability and the average variance extracted suggested threshold value (Hari et al., 2017). Table 2 presents an overview of the standardized factor loadings, t-values, composite reliabilities, and average variances extracted (AVEs). The analysis of the measurement model provides evidence of the robustness of the measures as indicated by their reliabilities.

Table 2: Confirmatory Factor Analysis of Constructs

Construct and Indicators	Standardized loading (t- value)	factor	Composite reliability /AVE
Business Knowledge and practices			.835/.503
➤ Your business frequently emphasis on Innovations.	.696(9.962)		
➤ Your business frequently executes according to Business plan you made.	.662(7.970)		
➤ In your business, Marketing is done using marketing strategies.	.756(13.270)		
➤ In your business frequently uses the recommended business practices.	.746(15.277)		
➤ You can prepare your financial transactions according to the desired level.	.684(8.957)		
Business performance			.889/.618
➤ In past years, your business income and profit has been increased.	.846(18.016)		
➤ In past years, your business sales have been increased.	.878(33.892)		
➤ You have entered new markets.	.728(16.049)		
➤ You have able to start new businesses	.638(7.658)		
➤ In your business Productivity have increased.	.816(20.491)		
Psychological Indicators			.931/.658
➤ You have more interest in dedication of doing business than before	.853(29.587)		
➤ In your business, your decisions making is more effective than before	.843(19.216)		
➤ You are able to work with strong team work	.665(8.730)		
➤ You have more self-confidence	.846(21.823)		
➤ You have positive intention of your business's Growth	.827(16.772)		
➤ You have forward looking	.818(15.552)		
➤ You are optimistic in your business	.810(17.041)		
Increases in Investment			.863/.559
➤ Has a strong financial performance	.735(10.669)		
➤ Has a positive cash flow	.833(17.216)		
➤ Has Net income growth	.782(19.999)		
➤ You have invested additional funds for your business.	.647(5.361)		
Formalization			.860/.552
➤ Your employees are work with more competences.	.683(8.589)		
➤ Increases Number of wage workers.	.751(12.479)		
➤ Your record keeping are based on recommended financial guidelines.	.691(8.078)		
➤ Business is running under government rules and regulations.	.834(17.332)		
Business Growth			.885/.527
➤ In your business turnover has increased.	.813(18.182)		

➤ Has achieved the desired profitability.	.638(6.551)
➤ Your organization is more reliable and well-known with other competitors.	.815(22.444)
➤ Has increased product quality.	.753(12.727)
➤ Increases assets in your business.	.721(11.584)
➤ Very safe and little threat to survival.	.667(8.059)
➤ Has establishes efficient internal control system to manage the organizing.	.653(8.460)

Source: (Survey Data, 2020)

The factor loadings of the latent variables are high and statistically significant. This confirms that the indicator variables and their respective underlying constructs are acceptable. The composite reliability values of the study constructs also reveal that the measurement model is reliable.

Structural Model Assessment

Path analysis is a statistical technique used primarily to examine the comparative strength of direct and indirect relationships among variables. In Smart PLS, the relationships between constructs can be determined by examining their path coefficients and related t statistics via the bootstrapping procedure. (Wong, 2016). T-Statistics values are presented path coefficients of the inner model are significant or not. Hair et al. (2011) suggested that acceptable t-values for a two-tailed test are 1.65 ($p < 0.1$), 1.96 ($p < 0.05$), and 2.58 ($p < 0.001$). Standardized path coefficients for the model are depicted in table 3. Business Knowledge and Practices -> Formalization linkage, and Psychological Indicators -> Increases in Investment are not statistically significant ($p > .001$) All other paths were statistically significant ($p < 0.05$).

Table 3: T-Statistics of Inner Model Path Coefficient

	β	T Statistics (O/STDEV)	P Values
Business Knowledge and Practices -> Increases in Investment	0.317	3.173	0.002
Business Knowledge and Practices -> Formalization	0.161	1.288	0.220
Business Performance -> Increases in Investment	0.623	8.731	0.000
Business Performance -> Formalization	0.314	3.024	0.003
Psychological Indicators -> Increases in Investment	-0.172	1.414	0.158
Psychological Indicators -> Formalization	0.248	2.169	0.031
Increases in Investment -> Business Growth	0.317	2.828	0.005
Formalization -> Business Growth	0.520	4.895	0.000

Source: (Survey Data, 2020)

The structural model assesses the relationship between exogenous and endogenous latent variables through evaluating the R^2 value, that is, coefficient of determination (Hair, et al., (2012), that is, R^2 corresponds to the degree of explained variance of endogenous latent variables. According to Vinzi et al. (2010), the good model, the value of R^2 of the endogenous latent variable should be more than 0.26. Since R^2 value for the developed model is 0.529, which is higher than the suggested value, the model is considered to have a substantial degree of explained variance of Brand loyalty by inhibiting factors as illustrated in Table 4.

Table 4: R^2 Value of Conceptual Model

	R Square	R Square Adjusted
Business Growth	0.623	0.612

Source: (Survey Data, 2020)

CONCLUSION

The primary purpose of this study is to examine the impact of EDTPs on business growth in Small and Medium Scale Entrepreneurs in the Nuwara Eliya District. EDTPs play an important role in the economic and industrial development of any country, whether developed or developing (Valerio et al., 2014). It is a comprehensive and effective human resource development programme which helps in developing analytical ability, outlook and farsightedness, increasing the motivation, knowledge, and skill and it gives confidence to face and solve a variety of problem boldly (De Mel et al., 2014). Developing nations face problems of unbalanced regional growth, EDTP's help to establish small-scale units in such areas thereby stop the centralization of capital (Cho & Honorati, 2014). Overall, the study of Effectiveness of Entrepreneur development training is highly efficient and effective for entrepreneurs who are done businesses. This can be assured from the aforementioned analysis, and if the suggestions given are implemented in a correct manner, the programme can extend their success in the entrepreneur's future to enhance their business (Martinez et al., 2016). The training is a very useful and effective way for the entrepreneurs to develop their knowledge, skills, and attitude to acquire a good business environment in the future. In order to diversify the economy and create a knowledge-based economy, it is more valuable to know academics and practitioners worldwide increasingly recognized the role of education and training in providing entrepreneurs with the necessary business skills and acumen to plan, set up, and grow their business ideas (Patel, 2014). This is because, according to the human capital theory,

investment in knowledge, skills, and abilities enhance the productive capacity, competencies to engage in a more enterprising, innovative, and flexible manner in a changing workplace environment (Randhawa et al., 2020).

This research revealed a new aspect for entrepreneurship education through EDTP that has received minimal attention in the Sri Lankan context. Because there is little research that can be found out on the impact of EDTPs, it is very hard to find the same in the Sri Lankan context. From the theoretical point of view, this research enhances new aspects to make an entrepreneurial module, entrepreneurial theory, by practices with the conceptual output. Entrepreneurship training programmes are implemented in developed and developing countries to enable individuals to become self-employed by running their own businesses (Udriyah et al., 2019; Masa'deh et al., 2018). EDTP has been found to be a major determinant in the growth and survival of enterprises. According to the human capital theory, investment in knowledge, skills, and abilities enhances the productive capacity of the individual. Research is done by Zimmerer and Scarborough (1998) also revealed that internal issues, especially those associated with management, are most likely to cause business failure. Central to these issues are bad management skills which can often be due to a lack of experience on the entrepreneurs' part. The entrepreneurial context is highly competitive rather than cooperative; it demands the risk-taking and assertiveness necessary for the individual to become the first mover and to compete for resources and market share. These characteristics are associated with the stereotypically masculine gender role (Baron et al., 2001). Achtenhagen et al., (2010) researched entrepreneurs' ideas on growth and listed the following: increase in sales, increase in the number of employees, increase in profit, increase in assets, increase in the firm's value, and internal development. Internal development comprises the development of competencies, efficient organizational practices, and the establishment of a professional sales process. Lack of experience in an entrepreneur can cause several issues; it can lead to poor financial control, the failure to plan, uncontrolled growth, and other issues (Udriyah et al., 2019; Masa'deh et al., 2018). Cornwall and Brock (2005) also acknowledged managerial incompetence to be a serious issue for enterprises. Equally, Small Business Research Center (2008) informed that poor market weak financial control, lack of strategic planning, inadequate liquidity, and a lack of market awareness are commonly identified internal causes of small business failure. The findings of this study agree with those of the study by Tushabombwe - Kazooba (2006) that

revealed that most SMEs fail due to poor record-keeping and basic financial skills. The exact reason is the SME's SMEs did not follow the business plan and proper bookkeeping methods for their businesses.

Limitations and Future Research

This research revealed a new aspect for entrepreneurship development training that has received minimal attention in the Sri Lankan context. This study forms part of emerging literature focusing on the drivers of the impact of EDTP on Business Growth in small and medium scale entrepreneurs. This appears to be a fruitful way to arrive at more meaningful generalizations about the drivers of firm growth. Future research may benefit from instruments that can better discriminate between business growths through a better way of EDTP in the Sri Lankan context. Furthermore, future research may also find value in further study of EDTPs on business growth of the micro-mechanisms behind the impact the researcher has unveiled. This research considers and gets feedback regarding entrepreneurs who get special entrepreneurship training conducted by SEDD Nuwara Eliya. This research did not consider the entrepreneurs who performed well without training. Furthermore, this research did not consider the participant of the training programme who likes to start a business. Further, the research's results cannot determine whether the impact of EDTP on the start-ups. Thus, this is the main limitation of this research, and it can be illustrated in the future research.

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