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Meeting on Self-Help Programmes for
Small-scale Industries in Developing Countries

Vienna, 10 - 14 November 1975

Management-Training:
The Experience of a Voluntary Agency
in Sri Lanka ✓

by

Peter Meehan *

* Staff member of the National Council of YMCA of Sri Lanka.

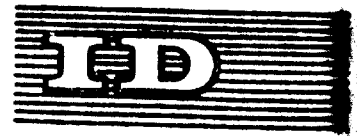
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MANAGEMENT TRAINING:

THE EXPERIENCE OF A VOLUNTARY AGENCY IN SRI LANKA^{1/}

by

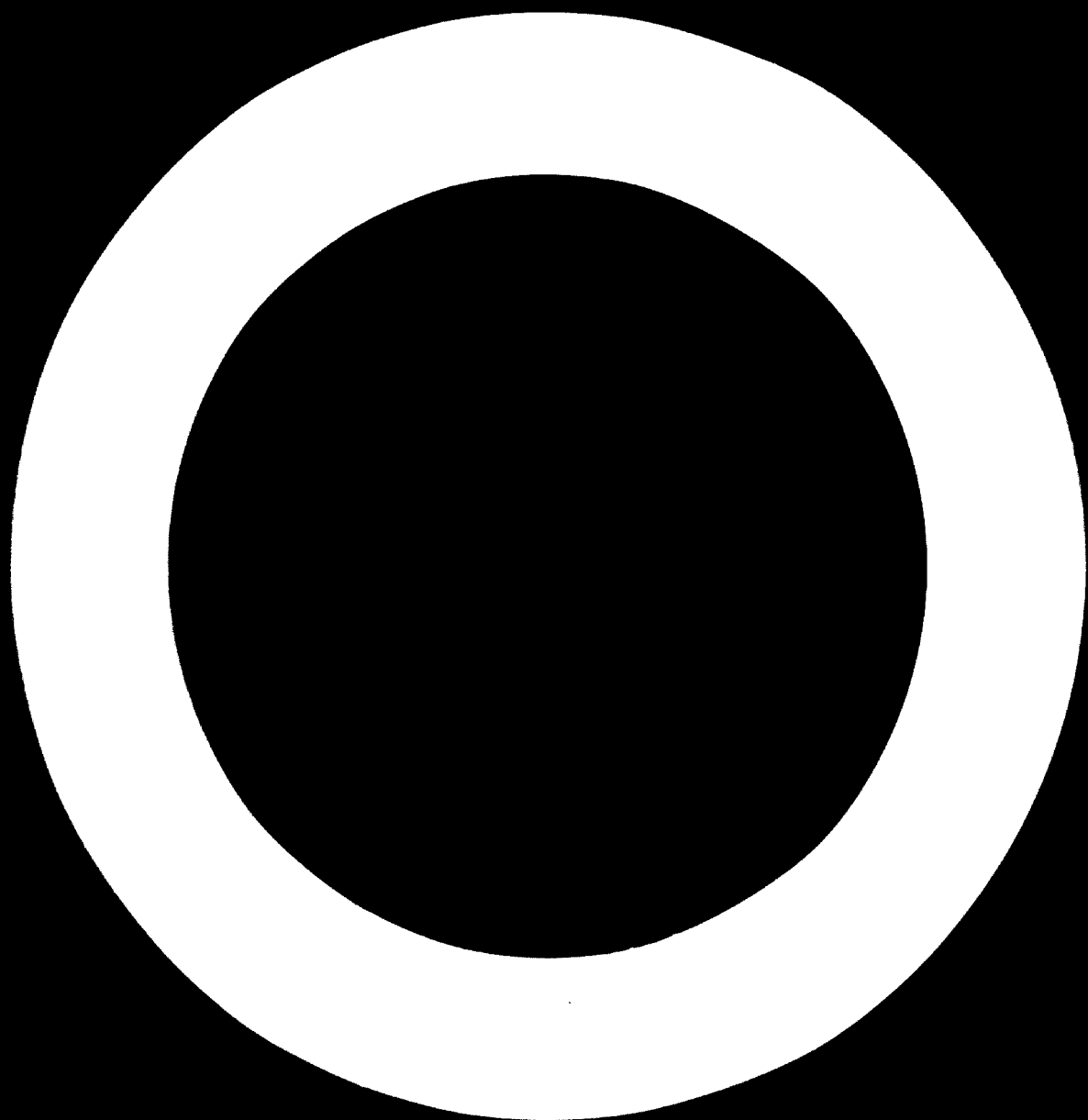
Peter Meehan*

Addendum

The Potential Role of Voluntary Service Agencies
in Carrying Out Self-Help Programmes for Small-Scale Industry
in Less Developed Countries

* Staff member of the National Council of YMCA of Sri Lanka.

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Most church and voluntary service agencies in less-developed countries currently contribute to industrial development through vocational skill-training programmes in crafts, carpentry, pottery-making, machine-repair, etc. However, such organizations could contribute directly to small-scale industry development by re-orienting the goals and curricula of their existing training programmes.

The goal of vocational training centres should not be restricted to technical skill-training only: they should also develop the technical skills, managerial ability, and entrepreneurial capacity for self-help and risk-taking to enable trainees to start small-scale industries. In short, they should create technician-entrepreneurs rather than technicians only. This would necessitate a change - perhaps a fundamental re-orientation - in existing vocational training curricula.

The new training-curriculum would be rationalized and formulated according to the goal of creating new entrepreneurs. It would develop a clear understanding and enthusiasm for setting up small-scale enterprises based on the technical skill acquired by trainees in the course of their training. Instructors would realize that vocational training is only the first step in the education of trainees who would start small-scale industries.

The new training programme would include four parts:

- 1) Selection of Trainees - Persons committed to learning a skill and starting an enterprise would be selected as trainees. Selection techniques could be adapted from the techniques developed in entrepreneurial-training programmes of the Gujarat Industrial Investment Corporation, Ahmedabad ^{2/} and Small Industry Extension Training Institute, Hyderabad in India.
- 2) Technical Skill-Training - Trainees would continue to learn a skill under the conventional training programmes. They would also learn principles of technology adaptation and innovation.

^{2/} For the past five years, the Gujarat Industrial Investment Corporation, in association with three other agencies in Gujarat, has conducted entrepreneurial development training programmes.

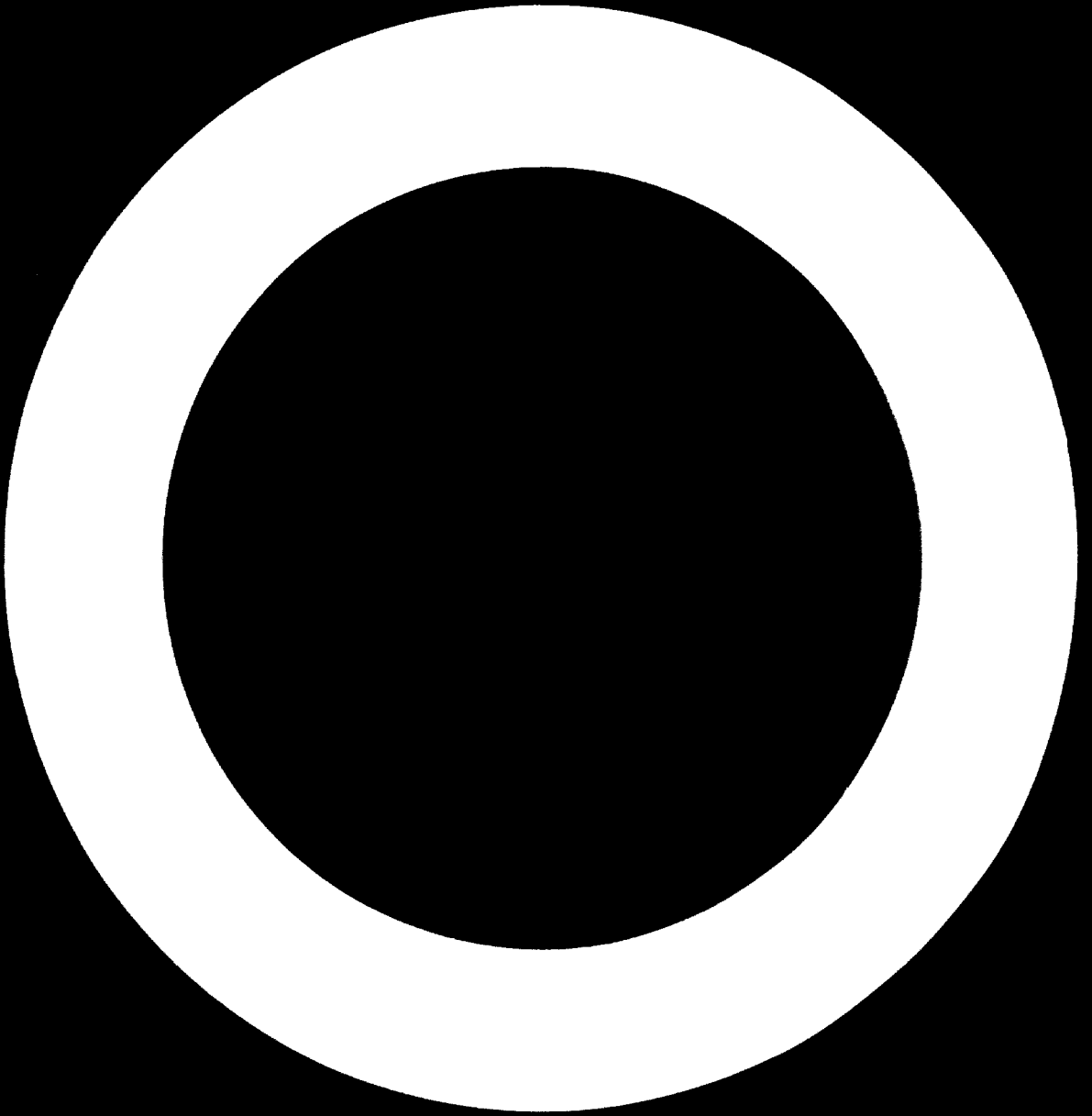
- 3) "Adapted" Business Management Training - Trainees would learn:
- basic management principles and techniques
 - methods of individual and collective self-help, including possible areas of co-operation with other entrepreneurs through ad hoc groupings or co-operatives
 - extension services, loan-facilities and industrial estates of government
 - practical difficulties and considerations in starting a small enterprise
 - preparation of feasibility reports.

Course materials for such management training would be adapted to local requirements and to the educational and cultural backgrounds of the trainees. Assistance in formulating such materials might be provided by ILO and UNIDO.

- 4) Entrepreneurial Development Training - Training would be conducted in: goal-setting, achievement-motivation, self-reliance and career-planning (small-scale enterprise as a career). Guidance on such training is available from the Gujarat Industrial Investment Corporation, the Small Industry Extension Training Institute, and the YMCAs of Sri Lanka and the United States.

When the training programme is completed, church or voluntary service agencies should provide liberal finance (i.e. through a revolving fund) and extension consultancy to trainee-entrepreneurs. If this is not feasible, the agency should pre-arrange for liberal finance and extension-consultancy in co-operation with national banks and government technical service agencies. The Sri Lanka YMCA has experience in the administration of a revolving-fund loan-scheme for self-employed young adults.

Such a comprehensive package of services is essential for the initiation of small-scale industrial units in less developed countries; and churches and voluntary agencies in these countries can provide this package by building upon their existing vocational training programmes. Such an expanded programme would, in some cases, require funding, expertise and instructor-training from national and international sources.



INTRODUCTION

From December 1973, to October, 1974, two staff members of the National Council of YMCA of Sri Lanka conducted a series of ten weekend workshops based on the Management-by-Objectives (MBO) concept of management. An average of 13 people attended each workshop, ranging from a low of nine to a high of 22 participants. Participants included: middle-managers of banks, engineering firms, textile manufacturing firms, printing firms, a small hotel, co-operative societies, farms and voluntary agencies as well as civil servants, professional people, teachers, and unemployed young adults. The workshops were open to anyone who would pay the workshop-fee. All participants spoke English and had studied to at least "Ordinary Level". Only a few had been introduced to MBO previously. The workshops were held in one rural area, five outstation towns, and four suburbs of Colombo, the capital city.

The workshops were based on an MBO workshop model used by the director of the Hong Kong YMCA Training Institute during a 1973 visit to Sri Lanka. The same model was used in the first of the series of ten workshops; however, feedback from the first workshop clearly indicated the need to simplify future workshops so they would be more easily comprehensible to the clientele. The experience and relative success of a "scaling-down" of the original workshop material to a level appropriate to the clientele constitutes, perhaps, the main interest of this paper.

One more point should be made before describing the actual workshop. Historically, the YMCA, churches, and other service organizations in Asia, have performed social work primarily in educational, health, recreation, and camping programmes. While continuing these programmes in recent years, these charitable organizations have moved into "production aspects" of human welfare through youth vocational-training and employment schemes. The relevance of management-training and entrepreneurial development to participants in these schemes is evident, especially if they are expected to set up new small-scale enterprises in the future. I will return to this point at the conclusion of this paper.

The Workshop

The workshop was a 1½ day programme of structured exercises - although it has been adapted to a one-day or even half-day programme. The full workshop included: short lectures on management and MBO, four exercises applying MBO to participants' jobs, four Life/Career Planning exercises which led immediately into the MBO exercises, and an educational game on "Cooperation". The ensuing description will take the form of a comparison of the first workshop (using

the "standard" model of the Hong Kong director) with the succeeding workshops (using a scaled-down version developed by the two instructors over a period of time).

In the standard model, pre-workshop documents included a 36 item "glossary of management terms and definitions", a "Cycle of MBO" diagram by H. G. Odionne, and a two-page paper on "Organizational Theory" which also constituted the workshops introductory lecture. The general tone was academic and was meant to prepare participants for the workshop.

In the scaled-down workshop, the glossary and "Cycle of MBO" were dispensed with. Participants at the first workshop found them confusing and one person called them "obstruse and unnecessary". The leaders continued to use the paper on Organizational Theory in later workshops but shortened it and divided it into readable sections and interesting diagrams. This paper formed the basis of a similar introductory lecture on "Organization and Planning" and to this was added another short lecture on "Management and MBO" with linkages to the first lecture. In both lectures, economy and simplicity of explanation without sacrificing conceptual meanings was striven for. For example, in the scaled-down workshop, the definition of "management" was "the job of organizing men, money, materials, space and time to achieve specific goals under a timetable for the benefit of people in society"; whereas, previously, the definition was "guiding human and physical resources into demand organization units that attain their objectives to the satisfaction of those served and with a high degree of morale and sense of attainment on the part of those rendering the service".

In the standard workshop, the 1-hour Life/Career Planning Section, which followed the introductory lecture was not used. In the scaled-down version, these exercises were used to encourage each participant to view his own life as a manageable unit through the use of worksheets and small-group discussion. This promoted better personal understanding of one participant with another and enabled them to realize the importance of the "career" or "job" aspect of their lives. For the remainder of the workshop, the job aspect of people's lives was explored through the MBO process.

The application of MBO to people's lives formed the heart of the workshop. In the standard model, MBO-application was divided into three sections, namely: Key Result Areas, Operating Objectives and Action Goals. After a short explanation of "Key Result Areas" by the instructors, each participant used the worksheets, team-discussion, and individual consultation with instructors to arrive

at his own Key Result Areas. In the same way, people determined their Operating Objectives and Action Goals.

In the scaled-down version, the key terms (though keeping their basic function) were "simplified" to: Areas of Concern, Long-Range Goals, and Action Steps. The worksheets were shortened from five to two pages and re-designed so they were more logical, less detailed, and easier to follow. Throughout the MBO-application period, the instructors stressed that goals should be specific, measurable and realistic. The revised worksheets greatly facilitated comprehension of the three key aspects of MBO-application.

Following the MBO-application period, the educational game on "Co-operation" was used to relieve the tedium of concentration on MBO as much as to point out the importance of co-operation in organizational work.

The final exercise, "MBO Applied to Your Top-Priority Project", enabled each person to choose one Long-Range Goal within one Area of Concern and to determine his requirements for finance, manpower, materials, land, buildings and time-scheduling to achieve the goal. Once again, the project worksheet in the scaled-down workshop was shortened and re-designed to make it easier to understand.

At the scaled-down workshop, a simpler "Cycle of MBO" was presented with all of the essential components of standard workshops "Cycle". Each workshop ended with a feedback session.

Comments on the Workshop

This brief comparison of the "standard" workshop and "scaled-down" workshops shows that the instructors simplified and streamlined all areas of the workshop to make it more accessible to their relatively unsophisticated management-clientele. In the instructors' opinion, the simplification justified the loss in precision and subtlety of meaning which would probably be obtained in the standard workshop by a more advanced management-clientele. However, such precision may be unnecessary for some people, especially if they are being introduced to a formal system of management for the first time. Further training would, indeed, call for more complex explanation of terms and ideas.

The scaled-down workshops indicate that "management" is a process capable of "reduction" to fairly "low" terms for general audiences, and this becomes important if we agree that management-training (whether basic or complex) is important for anyone who seeks to improve his economic well-being. But people must be brought into managerial-thinking carefully, according their educational and experiential

background, so they can take maximum advantage of the training that is available.

Conclusion

Different types of management-training can be prepared to cater to people of different backgrounds. For example, an engineering graduate may require a different type of training than a bright though less-educated, rural, small entrepreneur, yet both play an important role in industrial development.

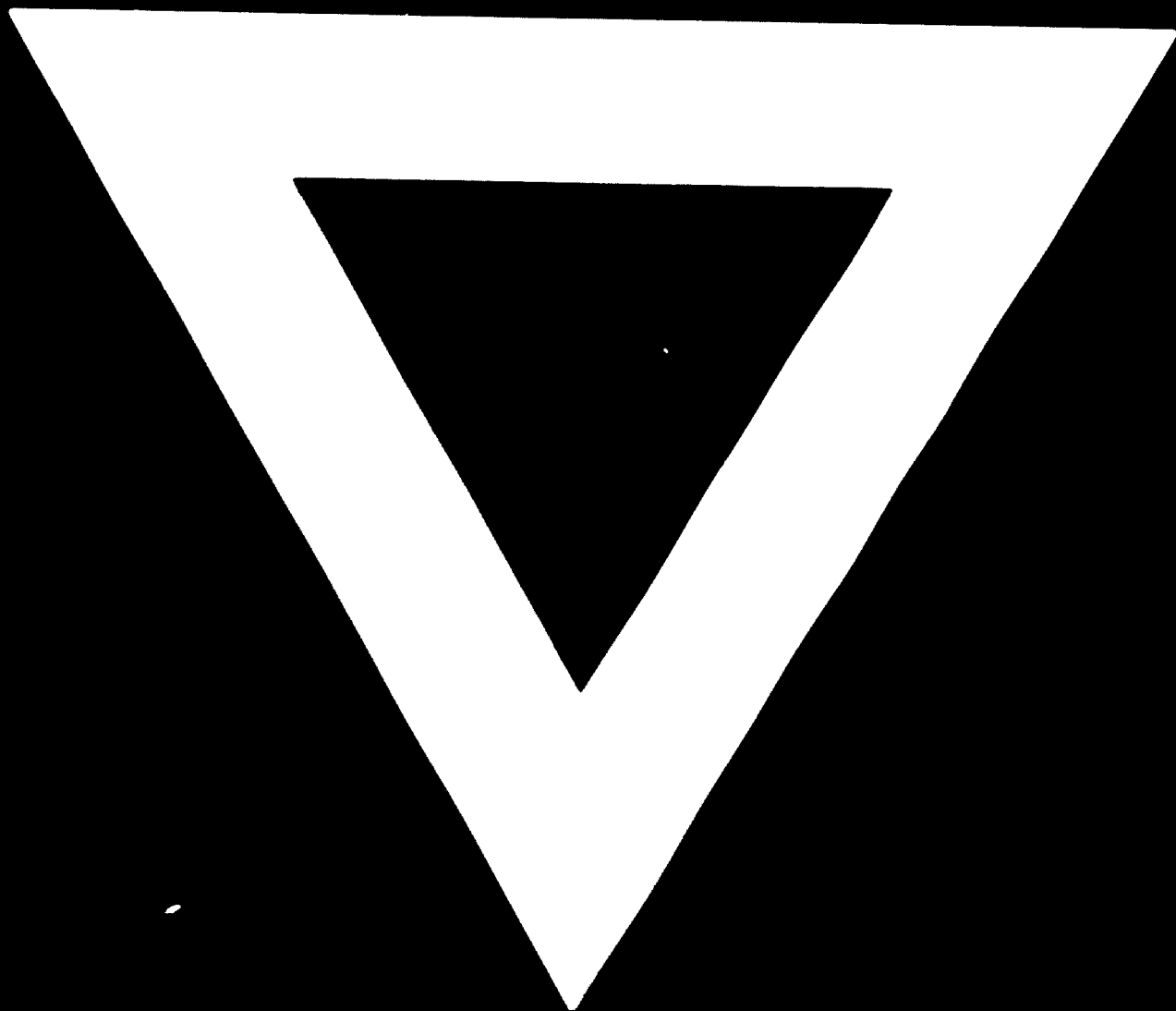
In recent years, voluntary organizations and charitable institutions have begun to work on the economic problems of lower-income, less-educated people in Asia. These people represent a less advanced management-clientele than the clientele reached by banks and development finance institutions. However, they are important to the industrial life of the nation through their village-industries and small-scale modern industries.

These voluntary agencies reach these people through vocational-training schemes which impart technical skills to village youth. However, if it is hoped that these young people will be able to use their new technical skills to start small industries in the future, they will need managerial skills and training as well. They represent a group of potential entrepreneurs that may never develop unless proper training in management and entrepreneurial-motivation is provided. Otherwise, they may prefer to accept wage-employment.

The YMCA and other voluntary agencies have an opportunity and responsibility to promote small-scale industrial units through their vocational training programmes. To develop small-scale entrepreneurs from among such trainees, training in management and entrepreneurial-motivation may be necessary. The YMCA Workshops in Sri Lanka indicate some guidelines for providing this particular clientele with useful management tools.

In addition, the YMCA workshops show one way in which voluntary organizations can support small-scale industry by supplementing industrial extension training by the government. This may be particularly relevant to managers in outstation towns rather than in cities where more training opportunities are available. The YMCA workshops drew the response of such managers and enabled the programme to pay for itself.





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