



SDP-Its Impact on Business Growth and Performance of SMEs in Hyderabad and RangaReddy Districts of Telangana state.

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Abstract-- This study examines the influence of Skill Development Programs (SDP) on the business growth and performance of Small and Medium Enterprises (SMEs) in the regions of Hyderabad and RangaReddy. Focusing on the effects of these programs initiated by the Government of India, particularly within the context of the Make in India the research seeks to analyze the specific changes in the skill development landscape within the SME sector. These initiatives have provided an impetus to spur the large pool of human resources to establish new small and medium enterprises (SMEs) in the districts of Hyderabad and RangaReddy. The study focuses on determining how well these programmes reduce skill gaps among entrepreneurs and enhance the capacities of SMEs, and enable entrepreneurs to adapt to new developments in a competitive world. The findings will provide valuable insights for policymakers, entrepreneurs, and stakeholders to improve the design and implementation of such programmes.

Keywords: Incremental changes, Skill development programmes (SDP), Make in India, SMEs (Small and Medium Enterprises), and Capacity enhancement.

I. INTRODUCTION

Small and medium-sized enterprises (SMEs) are essential to a nation's economic growth and development. The Government of India has launched a number of skill development programmes to promote an entrepreneurial culture and cultivate a skilled workforce in recognition of their importance. The goal of this study is to analyse the impact of different skill-development initiatives launched by the Indian government, such as Make in India, Skill India, Digital India, Startup India, and Standup India, on SMEs in the districts of Hyderabad and RangaReddy in Telangana.

This study seeks to understand the ideas derived from SDPs initiatives have helped to reduce skill gaps among entrepreneurs, improve the capabilities of current SMEs, and have enabled them to adapt to the rapidly evolving and fiercely competitive business environment.

In order to support the expansion and sustainability of Small and Medium-sized Enterprises (SMEs) across the nation, the Indian government has been actively promoting skill development programmes. This study attempts to look into how these skill development programmes affect the development and expansion of SMEs in these areas.

Through a comprehensive examination of the government's skill development initiatives and their

Effects on SMEs in Hyderabad and RangaReddy districts. This study seeks to provide valuable insights to policymakers and stakeholders, paving the way for informed decisions to enhance the impact of skill development programmes on SMEs and foster sustainable economic growth in the region.

Objectives of the study

1. To assess the impact of skill development programs to reduce skill gaps found among entrepreneurs in SMEs in two districts.
2. To examine the relationship between participation in skill development programmes and the resulting growth and productivity of SMEs in two districts.

Micro, Small, and Medium Enterprises (MSMEs) based on the investment and turnover in Manufacturing & services criteria as per the 2020 classification:

1. Micro Enterprise:

- **Investment:** A Micro Enterprise is defined by its relatively low initial investment, typically less than Rs 1 crore.
- **Turnover:** It is distinguished by its annual turnover, which generally does not exceed Rs 5 crore.

2. Small Enterprise:

- **Investment:** A Small Enterprise is characterized by a moderate level of initial investment, generally less than Rs 10 crore.
- **Turnover:** It is identified by its annual turnover, which typically falls below Rs 50 crore.

3. Medium Enterprise:

- **Investment:** A Medium Enterprise is marked by a higher level of initial investment, usually less than Rs 50 crore.
- **Turnover:** It is recognized by its annual turnover, which typically does not exceed Rs 250 crore.

Skill development is important in SMEs

Improve performance and fill skills gaps - even the most talented individuals will have a gap in their skills or a weakness somewhere. By



identifying key developing areas and addressing them with the right training and support, entrepreneurs are likely to be more efficient and productive in their roles.

II. REVIEW OF LITERATURE

Banoth RajendraNath, M Sree Lakshmi (2023). "Effectiveness of Skill Development Programmes of India: A Case Study of Small and Medium Enterprises in RangaReddy & Hyderabad Districts", The study evaluates the impact of Indian government initiatives like Make in India, Startup India, Digital India, and Stand up India in enhancing the skills and competitiveness of SMEs in RangaReddy and Hyderabad, Telangana. Through a comprehensive analysis of primary and secondary data, it aims to provide valuable insights into the effectiveness of these programs in helping SMEs adapt to the evolving business environment. However, it highlights the need for increased awareness among entrepreneurs, managers, and laborers regarding the importance of modern skills and technology adoption. The government should expand and tailor training programs to meet the specific needs of individuals in these sectors, considering their prior knowledge and the requirements of new technology.

Kotsios, P. Business resilience skills for SMEs. *Journal of Innovation and Entrepreneurship* (2023). The research aimed to explore the key skills and values essential for building resilient Small and Medium Enterprises (SMEs) based on a survey of 266 Greek and Polish business owners and managers in 2020. Notably, personal characteristics and values, including Reliability, Integrity, and Work ethics, were identified as crucial for long-term business viability during crises. However, there was a substantial gap between the importance and adequacy of skills, especially in Communication, Risk identification, Financial Management, Planning, and Customer orientation. These areas should be prioritized in business training programs. The study found that all 36 soft skills and values considered were important for business survival. Communication, Decision making, Risk identification, financial management, and Planning were the most critical skills, while skills related to data management were inadequately addressed. Significant differences were observed in the impact of crises between Polish and Greek enterprises. Additionally, the study revealed variations in the importance and adequacy of skills based on business age, education level, and self-assessed resilience, emphasizing the importance of addressing critical thinking, leadership, and self-confidence. Further research with a larger sample size could provide deeper insights into the role of soft skills in SME resilience.

Jardim, J. (2021). "Entrepreneurial Skills to Be Successful in the Global and Digital World. A Proposal for a Frame of Reference for Entrepreneurial Education"

The reviewed literature emphasizes the growing importance of entrepreneurial skills (ES) in the current job market, driven by globalization and digital transformation. The study identifies a tripartite ES model, encompassing openness to novelty, problem-solving ability, and effective communication. The nine integrated competencies under this model include creativity, initiative, self-efficacy, strategic planning, problem-solving, leadership, clear communication, teamwork, and digital proficiency. Developing these skills in younger generations can foster professional excellence and empower individuals to contribute meaningfully to global challenges and innovation. The study highlights the need for these entrepreneurial attitudes to navigate complexity and drive positive societal change.

Abdul, O. E. (2018) Entrepreneurial skills and the growth of Small and Medium enterprises

(SMEs): A comparative analysis of Nigerian entrepreneurs and Minority entrepreneurs in the UK This study provides valuable insights into the influence of entrepreneurial skills on SME growth in Nigeria compared to the UK. The findings reveal that creative thinking, problem-solving, and communication skills play a significant role in increasing sales and competitive advantage for SMEs in both countries. However, the emphasis on specific skills differs between Nigerian and UK SME owners, possibly due to environmental complexities. While creative thinking is highly valued in Nigeria, minority entrepreneurs in the UK prioritize a balance of communication and problem-solving abilities. Policymakers should consider promoting skill development to foster economic advancements and support SME growth. Further research could explore the reasons behind these skill preferences in different business environments.

Maria José Sousa, Daniela Wilks (2018) The Author of this paper hopes to assist companies in developing the skills needed to respond to the challenges of a continuously changing business environment. The study identifies critical skills for small and medium-sized enterprises as well as disruptive technological skills. The critical skills identified in the paper are people management, coordination with others, critical thinking, Emotional Intelligence judgement and decision-making, service orientation, and negotiation flexibility. The disruptive technological skills identified are Artificial Intelligence, nanotechnology, robotics, the Internet of Things, augmented reality, and Digitalization.

Chatterjee, N., & Das, N. (2016). A Study on the Impact of Key Entrepreneurial Skills on the Business Success of Indian Micro-entrepreneurs: The article presents a comprehensive analysis of the skill-related dimensions impacting the success of micro entrepreneurs in the state of Jharkhand, India. Through a sample of 147 entrepreneurs from different districts, the study identifies five crucial skills: leadership, communication, human relations, technical abilities, and inborn aptitude. The



findings highlight the significant influence of these skills on entrepreneurial success, with the exception of technical skills, which require more attention in the region.

Hurriyati, Ratih; Razati, Girang; Sulastri, S.; and Putra, Novian (2016). "Entrepreneurship Skills affect the business performance of Small and Medium enterprises". The research conducted on SMEs in Narogong, Bekasi, highlights the importance of entrepreneurial skills in improving business performance. The study reveals that entrepreneurial skills have a significant impact on business performance, accounting for 38.05% of the variance. Other factors contribute to the remaining 61.94%. The findings emphasize the need for SME owners to focus on enhancing their entrepreneurial abilities to achieve better business outcomes. By doing so, they can overcome challenges such as weak managerial and technological aspects, low market share, and capital shortages. Ultimately, this research underscores the critical role of entrepreneurship in driving SME success and growth.

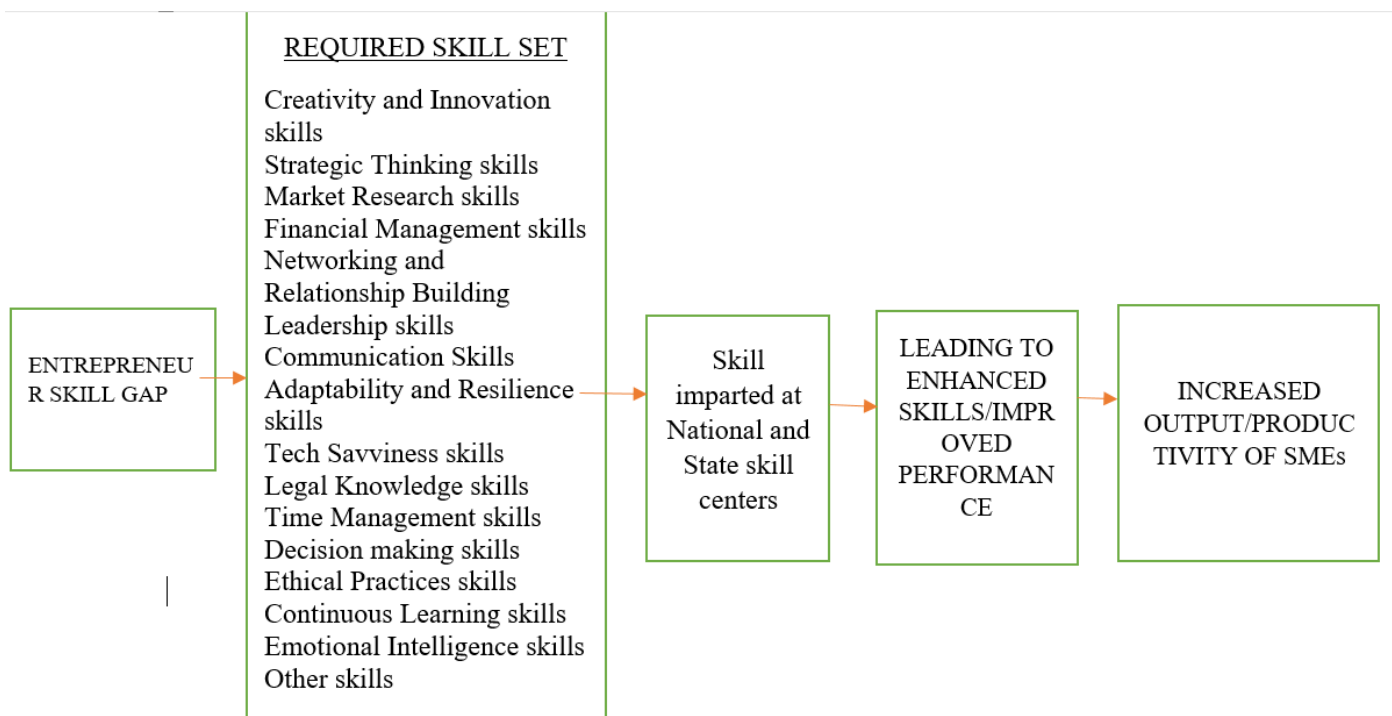
Ahmad Zahiruddin Yahya (2011) Management skills and entrepreneurial success of small and medium enterprises (SMEs) in the services sector this study examines the impact of management skills on the success of small and medium enterprises (SMEs) in the services sector in Malaysia. The research utilizes various statistical methods to analyze data collected from 186 entrepreneurs through questionnaires. The findings indicate that high entrepreneurial success is associated

with refined business operating skills, the ability to secure market share suitable for the SME's size and capability, and providing specialized services. Moreover, the study shows no significant differences between bumiputera and non-bumiputera entrepreneurs in their perception of management skills affecting success. However, limitations such as sample size and local cultural influences should be considered for generalizability. Future research is recommended to explore other sectors and perspectives beyond management skills.

Nehete, R. S., Narkhede, B. E., & Mahajan, S. K. (2011). Investigation of entrepreneurial skills for better performance of manufacturing SMEs. This study highlights the crucial role of entrepreneurship and SMEs in driving economic growth, especially in Mumbai and the suburban region. The research emphasizes the significance of specific skills possessed by entrepreneurs for SME success. Factor analysis revealed five key dimensions, with operations being the most critical factor (40.84%). Additionally, computer literacy, creativity, and communication were found to be moderately important to SMEs, while computer literacy ranked lower (23.94%). However, two factors showed low reliability, requiring further attention in future studies. While limited by the reliance on sole respondents, this research provides valuable insights for enhancing SME performance. Further studies with larger samples are needed for generalization.

Conceptual Frame work

The Model proposed for Research Design



Source: Authors' Compilation.

III. RESEARCH METHODOLOGY

This pilot study aims to evaluate the impact of skill development programmes on 100 Small and Medium Enterprises (SMEs) in Hyderabad and RangaReddy districts of Telangana state. Primary data will be gathered using structured surveys and interviews. The surveys will capture quantitative data, while interviews will provide qualitative insights. After data collection, analysis will be conducted using SPSS, statistical techniques.

TESTING OF HYPOTHESIS

H0: Skill development programs have no significant impact on the business growth and performance of SMEs in two districts of Telangana.

H1: Skill development programs have a significant impact on the business growth and performance of SMEs in two districts of Telangana.

Scope:

The scope of this research is limited to SMEs in two districts of Telangana State that have participated in skill development programmes conducted by National Skill Development Institutes. The study will focus on assessing the outcomes of these programmes on SMEs' performance and competitiveness.

Limitations:

While this study aims to provide insights into the impact of skill development programmes for SMEs in RangaReddy and Hyderabad districts, it is important to acknowledge certain limitations. Firstly, the study may face limitations in terms of data availability and accessibility as it relies on existing information and official reports. Secondly, the research may be limited by the scope of the programmes and initiatives implemented by the Government of India during the specified time period.

Data Analysis:

The collected data will be analyzed using appropriate statistical methods to evaluate the impact of skill development programmes on SMEs' performance.

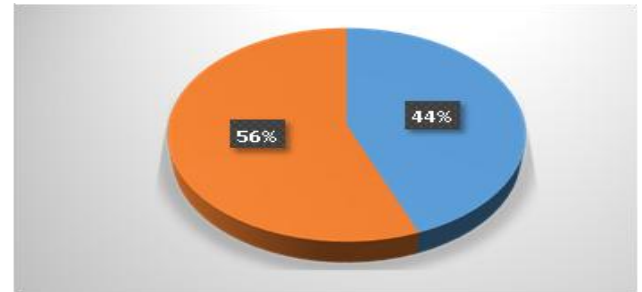
Table 1: Reliability Test

Reliability Statistics	
Cronbach's Alpha	N of Items
.972	33

The Cronbach's alpha test was conducted on the filled-in responses of the questionnaire from the 100 samples. The results showed a high reliability coefficient of .972, indicating that the variables are positively correlated to each other.

This level of reliability is considered good as it surpasses the recommended threshold of 0.7 (Santosh, 1999).

Table-2: Type of Entrepreneurship



Source: Authors' Compilation.

The sample size is 100 out of these, 56 is small enterprises and 44 is medium enterprises

Table 3: Location of Enterprise

No.	Location	N=100
1	Hyderabad	55
2	RangaReddy	45
	Total	100

Source: Authors' Compilation.

The sample size is 100, out of these location of business from Hyderabad 55 and from RangaReddy 45 small and medium enterprises

Table 4: Percentage Trained in Entrepreneur Skill Development Programme

Item	No		Yes		Total
	F	%	F	%	N
Entrepreneurship and Skill Development Programme (ESDP)	4	4.0%	96	96.0%	100

Source: Authors' Compilation.

Out of a total of 100 participants, 96% responded positively to the ESDP, indicating a successful reception of the programme's objectives. This is a strong indication of the programme's effectiveness in addressing the needs of the participants and achieving its goals. On the other hand, 4% responded negatively.

Table 5: After Training, How did the Skill Development Programmes helped

After Training, How did the Skill Development Programmes helped your business enterprise	No		Yes		Total
	F	%	F	%	N

firm's current business performance: Growth in market share has increased by	3	3.0%	97	97.0%	100
Growth in cash flow has increased by	3	3.0%	97	97.0%	100
Operating income has increased by	3	3.0%	97	97.0%	100
Current employee satisfaction rate in the firm has increased by:	3	3.0%	97	97.0%	100
Improved product/service quality	8	8.0%	92	92.0%	100
Enhanced customer satisfaction	17	17.0%	83	83.0%	100
Improved market competitiveness	16	16.0%	84	84.0%	100

Table-6: correlation

		Source Know about the (SDP)	Skill Development Programme (SDP) - Features	Taking the skill development programme	Which of SDP have you taken under SMEs	Type of Skill Development Evaluation was done	SDP factors will be helpful in success of Small & medium enterprises	Benefited from Skill Development Programmes under SMEs	Financial assistance to establish a small or medium enterprise	business growth and performance of SMEs	Skill Development Programmes helped your business enterprise
Impact of skill development programs on SMEs	Pearson Correlation	.179	.650	.365	.435	.592	.068	.603*	.320	.435	.435
	Sig. (2-tailed)	.075	.520	.993	.982	.558	.503	.738	.297	.982	.982
	N	100	100	100	100	100	100	100	100	100	100

Table-6 The correlation table shows the Pearson correlation coefficients between different variables related to the Skill Development Programme (SDP) and its impact on Small & Medium Enterprises (SMEs). Pearson correlation coefficients range from -1 to 1 and measure the strength and direction of a linear relationship between two variables. The values close to 1 indicate a strong positive correlation, close to -1 indicate a strong negative correlation, and 0 no correlation.

IV. FINDINGS, CONCLUSION

Table -5: After implementing skill development programs, business enterprise has witnessed remarkable improvements across various aspects. Market share has surged by an impressive 97%, accompanied by a corresponding 97% growth in cash flow and operating income. Notably, employees' satisfaction has soared by 97%, reflecting a positive impact on work environment. These initiatives have also elevated product and service quality by 92%, driving a substantial increase in productivity and efficiency by 84%. Furthermore,



customer satisfaction has risen significantly by 83%, enhancing overall market competitiveness by 84.0%.

Table -6: let's take the correlation coefficient between "Impact of skill development programs on SMEs" and "Benefited from Skill Development Programmes under SME," which is 0.603**. This suggests a strong positive correlation between these two variables, the objective which is having positive relationship between participation in skill development programmes and the growth and productivity of SMEs in two districts of Telangana.

Pearson Correlation: Positive correlations were found for various skill development factors with values ranging from 0.365 to 0.603.

Significance Level (2-tailed): The significance levels ranged from 0.169 to 0.982.

Considering the collected data and conducting hypothesis testing, we can reject the null hypothesis (H₀) and accept the alternative hypothesis (H₁). This indicates that skill development programs indeed have a significant impact on the business growth and performance of SMEs in two districts. The positive correlations and significant p-values strongly support the idea that these programs contribute to SMEs' success and development.

CONCLUSION

The skill development programmes initiated by the Government of India have demonstrated a significant positive impact on small and medium enterprises (SMEs) in the districts of Hyderabad and RangaReddy. These initiatives, including Make in India, Skill India, Digital India, Startup India, and Standup India, have effectively reduced skill gaps among entrepreneurs, enhanced the capabilities of existing SMEs. The research highlights the positive relationship between participation in skill development programmes and the resulting growth and productivity of SMEs in two districts with positive outcomes in various dimensions, including increased market share, cash flow, operating income, employee satisfaction, product/service quality, customer satisfaction, and competitive business landscape. From the above data analysis, we can conclude from this study that many of SDP initiated by the government of India have been providing positive support for the SMEs.

Future scope of study:

Future research can concentrate on assessing the long-term effects of the skill development programs on the expansion and sustainability of SMEs, identifying specific areas where further skill enhancement is required, exploring the potential of incorporating emerging technologies in skill development, and gauging the overall effectiveness of the programmes in achieving the Government of India's objectives for fostering an entrepreneurial skill and competitive workforce.

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