

## **Training and Development Practices of Chamber of Commerce and Industry in Nepal**

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**Abstract:** *CCI is one apex body of entrepreneurs established with the aim of facilitation and promotion of business. It works on the solving the issues of entrepreneurs and enhancing the entrepreneurship capacity. The aim of this study was to analyze the training and development program of CCI in Nepalese context. The study was conducted in Damak, Hetauda, Pokhara and Surkhet of Nepal. The study was based on the mixed method applied questionnaire survey and key informants interview and focus group discussion among the CCI members. The study collected data from 400 respondents. The study found that in average 70% members were informed about the different types of training and development program of CCI. CCI had organized exposure visit, trade fair and exhibitions and various types of capacity building training. Basically, CCI was concentrated on the lobbying on the issue of entrepreneurs with government and other non-government organization. CCI should develop their international network to build the technical and financial support to Nepalese entrepreneurs.*

**Keywords:** *Chamber of Commerce and Industry (CCI), Development, Training*

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### **I. Introduction**

The activities of the Chamber embrace both economic and social development through employment-creation, attracting foreign direct investment, export-promotion, and the provision of business information. Chamber of commerce and business associations play a pivotal role in supporting entrepreneurship. They are uniquely positioned between governments looking to create economic growth and the private sector desire to develop a new generation of employees. As the voice of the business community, chambers and associations are able to advocate for the reforms necessary to encourage job creation. Very often, these reforms lie at the heart of the interests of young people in these countries (Nadgrodkiewicz, 2013).

A chamber is a voluntary association whose membership is comprised of companies, civic leaders, and individual business people. Its members seek to promote the interests of business, typically in a broad-based way. Chambers of commerce exists on municipal, state, regional, national, and even international levels. CCI designs the various capacity development programs to enhance the entrepreneurship quality of members of CCI. The activities of the Belize Chamber of Commerce and Industry (BCCI) of Central America came to embrace both economic and social development through employment-creation, attracting foreign direct investment, export-development, and the provision of business information. During the project period, it conducted over 30 workshops; delivered training and provided direct assistance to small entrepreneurs; organized missions to more than 30 international trade fairs; produced various publications and marketing materials, including an investment brochure and video as well as a monthly newsletter for the business community; provided guidance and assistance to farmers and manufacturers in exporting their products; and participated in the establishment of a Junior Achievement Programme in 17 high schools (Brown, 1997, p. 187).

In Nepalese context, there are also large arrears to banks and suppliers, but monitoring mechanisms are insufficient to make reliable estimates. In February 2002, the government set up a special financing facility at 3% interest to encourage commercial banks to provide concessional loans to ailing industries, particularly those in the garment and hotel industries, which through exports and tourism are major earners of foreign exchange. According to the Central Intelligence Agency (CIA), major industries in Nepal include tourism, carpets, textiles, small rice jute, sugar, and oilseed mills; cigarettes, cement and brick factories. Aside from small-scale food processing (rice, wheat and oil mills), light industry, largely concentrated in southeastern Nepal, includes the production of jute goods, refined sugar, cigarettes, matches, spun cotton and synthetic fabrics, wool, footwear, tanned leather, and tea. The carpet, garment and spinning industries are the three largest industrial employers, followed by structural clay products, sugar and jute processing. Heavy Industry includes a steel-rolling mill, established in 1965, which uses imported materials to produce stainless steel. During the 1980s, the government gave priority to industries such as lumber, plywood, paper, cement, and bricks and tiles, which

make use of domestic raw materials and reduce the need for imports. Production by heavy industries in 1995 included 326,839 tons of cement and 95,118 tons of steel rods (National Encyclopedia, 2017, p. 1). With the aim to improve the business sectors and jointly handled the business issues of entrepreneurs, all the industry has came up under one umbrella which became the CCI. In Nepal, CCI has organized various training and development program like training of entrepreneurship quality development, communication skill with customers, Negotiation skill, conducting meeting and seminar, record keeping, office management, market analysis etc. In this connection, the study aim is to analyze the training and development program of CCI in Nepalese context.

## II. Materials & Methods

The study was conducted in Jhapa, Makawanpur, Kaski and Surkhet district of Nepal covering the executive board members and general members of CCI of respective districts. The study was based on the mixed method; both questionnaire survey and key informants interview was conducted with executive board members and general members of CCI. Total 400 respondents were participated in the survey.

## III. Result & Discussion

Training and development is one way of capacity development and motivation of employee. Similarly, training and development is any attempt to improve current or future employee performance by increasing an employee's ability to perform through learning, usually by changing the employee's attitude or increasing his or her skills and knowledge. CCI provides different types of training facility to its members in order to increase their efficiency towards the work.

### 1. Lobbying on issues of entrepreneurs

Lobbying is the act of attempting to influence business and government leaders to create legislation or conduct an activity that will help a particular organization. . Lobbying on the issue, concern, problem and facilities of CCI's member is one major work of CCI. CCI is one umbrella of private company so it always works for the welfare of entrepreneurs and discussed with government and non-government organization for the betterment of country and entrepreneurs.

The data presented below Shows that in total 33% followed by 37.2% shared that they were well informed and partially informed about the lobbying program of CCI on specific issue. But regarding to different districts like Damak, Hetauda, Pokhara and Surkhet 24%, 37%, 31% and 40% were totally informed about the lobbying program respectively 37%, 40%, 41% and 31% of Damak, Hetauda , Pokhara and Surkhet were partially informed but remaining 39%, 23% , 28% and 29% were unknown about the program.

**Table 1: Lobbying on issue of entrepreneurs**

			Districts				Total
			Damak	Hetauda	Pokhara	Surkhet	
Lobbying	Informed	Count	24	37	31	40	132
		%	24.0%	37.0%	31.0%	40.0%	33.0%
	Partially informed	Count	37	40	41	31	149
		%	37.0%	40.0%	41.0%	31.0%	37.2%
	Don't Know	Count	39	23	28	29	119
		%	39.0%	23.0%	28.0%	29.0%	29.8%
Total		Count	100	100	100	100	400
		%	100.0%	100.0%	100.0%	100.0%	100.0%
<b>Chi-Square Tests</b>							
			Value	df	Asymp. Sig. (2-sided)		
Pearson Chi-Square			10.706 <sup>a</sup>	6	.098		

**Source:** Field survey, 2016

The statistical analysis shows that there is no significant association among the four districts regarding the information sharing on lobbying program of CCI because the P = .098 which is greater than .05 significant level at 95% confidence interval.

Sharing of lobbying program of CCI is found satisfactory from the result of above Table No. 1 lobbying to government and other non-governmental national and international organization is one important task of CCI and same is expected by majority respondent. CCI should have strong lobbying capacity for the betterment of entrepreneurs.

### 2. Exposure visit of entrepreneurs

Environmental interaction is the source of new knowledge. There are various culture, community, language, ethnicity, natural beauty and infrastructure and technical development in the global society so exposure visit is

necessary to get the idea and knowledge from observation and interaction with new phenomena. CCI also organize exposure visit for CCI members.

The CCI members were asked about their information of exposure visit organized by CCI. The response found that in total 36.5% were regularly informed about it followed by 39.5% were partially informed whereas 24% were never informed about such activities. The district wise situation was similar in all survey four districts. 21% to 36% reported that they were not informed about the exposure visit program of CCI.

**Table 2: Exposure visit of entrepreneurs**

			Districts				Total
			Damak	Hetauda	Pokhara	Surkhet	
Exposure visit	Informed	Count	29	40	35	42	146
		%	29.0%	40.0%	35.0%	42.0%	36.5%
	Partially informed	Count	35	42	44	37	158
		%	35.0%	42.0%	44.0%	37.0%	39.5%
	Don't Know	Count	36	18	21	21	96
		%	36.0%	18.0%	21.0%	21.0%	24.0%
Total		Count	100	100	100	100	400
		%	100.0%	100.0%	100.0%	100.0%	100.0%
<b>Chi-Square Tests</b>							
			Value	df	Asymp. Sig. (2-sided)		
Pearson Chi-Square			12.359 <sup>a</sup>	6	.054		

Source: Field survey, 2016

The statistical analysis shows that there is no significant association among the four districts regarding the information sharing on exposure visit program of CCI because the P = .054 which is slightly greater than .05 significant level at 95% confidence interval.

It is also satisfactory result that 76% entrepreneurs were informed about the exposure visit program of CCI. Exposure visit provides the good learning opportunity to entrepreneurs by observing new place and interaction with new people. The main objective of exposure visit to enhance the personal competencies of entrepreneurs. Among the personal competencies that have been specified for entrepreneurial leaders, pro-activeness, innovativeness, and risk-taking are the most cited ones that indicate entrepreneurial orientations at both personal and organizational levels (Chen, 2007; Kuratko, 2007; Gupta, MacMillan, & Surie, 2004; Covin & Slevin, 1991). Innovativeness is the ability and tendency of entrepreneurial leaders to think creatively and develop novel and practical ideas relating to opportunity recognition, resource utilization and problem solving (Gupta, MacMillan, & Surie, 2004; Chen, 2007; Rae, 2007). Shukla utters that business involves many risks, which a business person must not hesitate to take. Lot of financial involvement is there and obviously one has to be careful with investments. Yet risks have to be taken in money matters as well. Sometimes a businessman may lose out on his or her venture, but when he or she make a success of it then he or she has much to gain, both financially and from a personal satisfaction point of view (Shukla, 2009). Integrity is the one personal entrepreneur competences which has a clear sense of values and beliefs that underpin the creative and business decisions that they make; and that influence the actions they take, particularly when in difficult or challenging circumstances, When an organization has a long-term purpose, articulated in clear goals and objectives, and these goals and objectives can be rolled up into a coherent plan of action, then we would say that the organization has a strategy. It has a *good* or even *great* strategy when this plan also takes advantage of unique resources and capabilities to exploit a big and growing external opportunity (Hambrick & Fredrickson, 2001).

### 3. Trade Fair and Exhibitions

Trade fair and exhibition is way of dissemination of product and services in the market. CCI coordinate with other private and government sectors to organize trade fair and exhibition to advertise the local product and services as well as new technology indorsed by any company. Such trade fair and exhibition gives opportunity to get the knowledge of new product for the customers also; it increases the sale of product.

**Table 3: Trade Fair and Exhibitions**

			Districts				Total
			Damak	Hetauda	Pokhara	Surkhet	
Trade Fair and Exhibitions	Informed	Count	36	39	32	45	152
		%	36.0%	39.0%	32.0%	45.0%	38.0%
	Partially informed	Count	39	32	50	34	155
		%	39.0%	32.0%	50.0%	34.0%	38.8%
	Don't Know	Count	25	29	18	21	93
		%	25.0%	29.0%	18.0%	21.0%	23.2%
Total		Count	100	100	100	100	400
		%	100.0%	100.0%	100.0%	100.0%	100.0%

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	10.351 <sup>a</sup>	6	.111

Source: Field survey, 2016

The data presented in above Table No. 3 shows the level of information shared by CCI’s members about the trade fair and exhibition. In total, 38% were informed about the trade fair and exhibition program followed by 38.8% were partially informed whereas 23.2% were not informed. The district wise data shows that from 18% to 29% CCI’s members were not informed. There is need of active participation of concerned stakeholders to make the successful implementation and completion of such trade fair and exhibition so CCI members should coordinate effectively and need to inform all members to participate such exhibition program.

The statistical analysis shows that there is no significant association among the four districts regarding the information sharing on trade fair and exhibition program of CCI because the P = .111 which is greater than .05 significant level at 95% confidence interval.

#### 4. Capacity Building Trainings

Training is developing in oneself or others, any skills and knowledge that relate to specific useful competencies. Training has specific goals of improving one's capability, capacity, productivity and performance. CCI provides different training facilities to respondents in order to increase the working efficiency. The data below show the circulation of information about the training program in four districts. 28%, 40%, 23% and 46% of Damak, Hetauda, Pokhara and Surkhet were aware about the training program respectively 34%, 28%, 36% and 30% of Damak, Hetauda, Pokhara and Surkhet were partially informed about the program. Similarly, remaining 38%, 32%, 41% and 24% respondents said that they were unknown about the training program.

Table 4: Capacity Building Trainings

			Districts				Total
			Damak	Hetauda	Pokhara	Surkhet	
Training	Informed	Count	28	40	23	46	137
		%	28.0%	40.0%	23.0%	46.0%	34.2%
	Partially informed	Count	34	28	36	30	128
		%	34.0%	28.0%	36.0%	30.0%	32.0%
	Don't Know	Count	38	32	41	24	135
		%	38.0%	32.0%	41.0%	24.0%	33.8%
Total		Count	100	100	100	100	400
		%	100.0%	100.0%	100.0%	100.0%	100.0%
Chi-Square Tests							
			Value	df	Asymp. Sig. (2-sided)		
Pearson Chi-Square			16.082 <sup>a</sup>	6	.013		

Source: Field survey, 2016

The statistical analysis shows that there is significant association among the four districts regarding the information sharing on the training program of CCI because the P = .013 which is less than .05 significant level at 95% confidence interval. CCI organize various types of training on the basis of need of entrepreneurs. The CCI provides the small scale business management training to small scale entrepreneurs when they are taught about the record keeping, documentation, financial management, marketing, need assessment etc. whereas big industrial entrepreneurs are provided the knowledge of corporate system, international marketing, global alliance, human resource management, organizational culture etc. The study conducted the separate focus group discussion with CCI members of four districts to know the particular programs of CCI as the knowledge of CCI members. The participants of Damak shared the following activities of CCI:

Coordination on business house rent, safety, security, recommendations to municipality, tax & legal consultancy, regular daily problem solution, skill development training, ideas sharing, start-up ideas are major programs practicing. In Nepal, entrepreneurs cant alive without being member of a CCI.

Similarly, the participants of Hetuada shared that CCI was organizing various activities like: training, coordination, tax related more programs, Interactions, Engagement in Local development, Women focused entrepreneurship, B2B meeting, Health & education, social work, visits, Issue of Certificate of Origin, Coordination with local government, Trade fair, Lobbying, trade dispute resolutions among members, KIWI agro based production, road construction, Self employment fund related work etc to develop the entrepreneurship skill of CCI members.

Pokhara was one study area of this study so the study organized the FGD with CCI members of Pokhara also to know the CCI program when they shared the following activities: Training, Trade faire, business dispute settlement among members, Major two works business development related and social responsibility related work, for upgrading entrepreneurs observational visits, interactions, regular problem

solving as mediator, participation in different local development work, health, education, agriculture, vocational training to women, commodity level committee through promotion, linking with university and campuses, market management, promotion of tourism etc.

In the process of FGD, the researcher also discussed with the CCI members of Surkhet district about the CCI program. The participants shared their knowledge of various programs like: problem solving, counseling, lobbying, knowledge on tax related rules regulations, regular service through a desk, product related to herbal, agro based items training, social work, employment area study, research on member problem, business environment creation, visit and interaction with different part of entrepreneurs, trade fair, participation in international trade faire etc. The nature and objective of all program organized in the district was to empower the CCI members for the better improvement and expansion of business. The volume and frequency of program was somehow different on the basis of need and demand of CCI members.

A previous literature has also shown that Belize Chamber of Commerce and Industry (BCCI) of Central America, which was the executing agency for a USAID-funded project worth some US\$2.5 million between 1986 and 1993. The purpose of the project was to develop the capacity of the private sector to promote, provide technical assistance for and facilitate export and tourism-related projects as well as to facilitate (foreign) investments in Belize' (Belize Chamber of Commerce and Industry, 1994). In this study, nobody reported about the support program from international donors to empower the entrepreneurs in Nepal. CCI was operating the program from own sources.

#### **IV. Conclusion**

The study focused to explore the training and development program of CCI of Nepal. From the discussion with CCI members, it was found that CCI was working for the promotion and facilitation of business activities of entrepreneurs. Basically, CCI was working on lobbying with government and non-government organizing on the issues of entrepreneurs. CCI had organized the exposure visit for members who provided the knowledge of new technology and business opportunity. The CCI members were benefited to extend their business network by participating in exposure visit and trade fair and exhibitions. CCI had organized capacity building training like vocational training to women, communication skill, record keeping, networking and coordination skill, facilitation skill etc which aims to empower the entrepreneurs' quality for the better improvement in business. The statistical test found that there was no association between the district regarding the training and development program. There was no adequate effort made by CCI to generate the fund from international donor to implement the capacity building program so the study recommends to establish the effective network with international organizations to increase the technical and financial support for entrepreneurs of Nepal.

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