

# **SKILLS TRAINING WORKSHOPS AS A VIABLE STRATEGY FOR IMPROVING SMALLHOLDER AND COOPERATIVE AGRIBUSINESS MANAGEMENT: A CASE STUDY OF VHEMBE DISTRICT, LIMPOPO PROVINCE, SOUTH AFRICA**

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## **ABSTRACT**

*Workshop training is often seen as an instrument of knowledge transfer and skills development in modern society. This paper assesses the impact of Africare-sponsored agribusiness workshops, directed at community and cooperative agribusiness projects in Vhembe District of Limpopo Province, South Africa. Empirical evidence from this study shows that six months after attending the workshops, project managers introduced positive changes in the personnel and financial management of their projects, and increased the volume and value of their projects outputs. They also undertook new investments, obtained new loans and achieved substantial increases in the monthly projects' incomes. Thus, the study demonstrates that well-targeted skills' training, based on five to seven day workshops could be a viable strategy for improving agribusiness management and productivity in rural community projects in South Africa.*

## **1. INTRODUCTION**

### **1.1 Overview of the workshop training workshops**

University of Venda (UNIVEN) and Africare-South Africare signed a contract for the purpose of strengthening UNIVEN's capacity to support commercially viable and sustainable agribusiness in rural communities of Vhembe District in Limpopo Province of South Africa. As a result of this agreement, the Centre for Rural Development (CRD) of UNIVEN conducted two agribusiness management workshops for cooperatives, non-governmental organisations and community-based organisations in Vhembe District. The workshops were held between September and November 2001.

### **1.2 Objective of the article and summary of workshops' contents**

The objective of this article is therefore to assess the impact of the workshops

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and evaluate skills training as a strategy for improving smallholder and cooperative agribusiness in rural areas. Skills and concepts discussed during the workshop were fundraising techniques, participatory management skills, preparation of business plans, project selection criteria and process, record keeping, preparation of financial statements, incorporation of gender equity in project management and activities.

Forty-two participants from non-governmental organizations and community based projects and thirty from 17 cooperative societies participated in the five-day workshops.

## **2. METHODOLOGY**

### **2.1 Evaluation rationale**

Education is widely regarded as the most important form of human capital (Schultz, 1999). Workshop training is usually aimed at human capital improvement, as a form of post-school learning. It has economic value because it could result in a more efficient use of resources and a more productive agribusiness. In South Africa, farmer education has been associated with agricultural productivity and growth (van Rooyen & Van Zyl, 1998 and Sartorius von Bach, Van Zyl, & Koch, 1992).

But post-schooling forms of learning is difficult to measure (Huffman, 2001), because they occur in informal settings without end of course tests and examinations. Nonetheless, there is the need to ascertain the impact of informal learning, such as those that occur during training workshops, through an *ex post* evaluation for several reasons. First, donors are interested in the impact evaluation of the funds expended, to justify the use of funds and as a basis for soliciting greater sponsorship. Second, impact evaluation provides lessons that could be incorporated in future projects. Such feedback information could be used to justify resource mobilization and future allocation (Marasas, Anadajayasekeram, Van Rooyen & Wessels, 2001). Third, it provides a forum for follow-up interaction between trainers and trainees in terms of practical application of skills learnt.

In case of this study, the workshops were aimed at transfer of skills to the participants. Thus, it became imperative that an evaluation be done to ascertain the extent the participants acquired the skills as well as the extent they were applying the skills to their projects. The evaluation was also designed to assess other areas of their future training needs.

## **2.2 Evaluation procedure**

Impact assessment could be defined as a special form of evaluation, which measures the intended and unintended changes caused by an intervention process on a target population (Anandjayasekeram, *et al*, 1996). This could be an *ex ante* or *ex post* evaluation. However, impact assessment is a difficult process, because of the problem of isolating changes that could have occurred without the intervention (Okorie, 1982). In this paper, a simplistic approach has been adopted in the *ex post* impact evaluation of the training workshops, by assuming that all the changes in the management of the participants' agribusiness projects were due to the workshop effect.

A total of forty projects/organisations were represented in the two workshops and all of them were targeted for evaluation, but some of the projects were inaccessible and some were not functional during the evaluation. Consequently, only 30 of the projects were represented in the evaluation sample, from where 15 of the respondents attended the first workshop, while 11 attended the second workshop; four of the respondents did not attend any of the workshops.. The profile of the sample projects is given in Table 1 below. The sample consists of several project types, namely piggery (6), farmers' cooperatives/field crops (8), poultry (4), community gardens/orchards (4), bakery (4), sewing (2), peanut butter processing (1), and entertainment (1). Seven of these projects had received grants from different sources, such as Land Bank, Departments of Agriculture and Health, South African Breweries, Premier's Office and Eskom Foundation, before the workshop. Respondents were drawn from the four municipalities in Vhembe district, namely Makhado, Thulamela, Mutale and Mussina. A structured questionnaire was used to solicit information from the project representatives, majority of who had attended one or two of the workshops. The data were collected in February 2002, about six months after the first of the workshops and four months after the second workshop.

## **3. FINDINGS AND DISCUSSIONS**

### **3.1 Socio-economic profile of respondents and projects**

The socio-economic characteristics of respondents of relevance are gender, age and educational qualifications. These are expected to impact on members' skills, projects' management, activities and productivity. Socio-economic

**Table 1: Socio-economic profile of the projects**

<b>Characteristics</b>	<b>N</b>	<b>Min</b>	<b>Max</b>	<b>Mean</b>	<b>Std. Dev.</b>
Total membership	20	4	31	10.65	6.61
Number of males	20	0	13	2.80	3.85
Number of females	20	1	31	7.85	6.79
Age of respondent	24	25	65	38.92	11.73
Value of products before workshops (R)	7	800.00	7000.00	4100.00	2407.62
Value of products after workshops(R)	6	1000.00	40000.00	12500.00	13939.15
Project's monthly income before the workshops (R)	16	10.00	10000.00	2229.01	3040.52
Project's monthly income after the workshops (R)	14	300.00	24000.00	6283.43	7849.29

profile of project members showed that there was considerable gender equity; this is a reflection of equity in the projects' membership. Of the 40 respondents, 60% were female and 40% were males. Female members averaged 7.85 per project, while male membership averaged 2.8 per project. About 59% of the members were within the active age bracket of 20 to 39 years; and the mean age was 38.9 years (see Table 1). About 24% of the respondents had either college or university education; 71% had secondary education, and less than 5% had primary education. Their differing educational levels affected their comprehension of the business management principles, taught during the workshops.

As expected the younger members tended to be more educated. These imply that the project members were within the productive age group; there was gender equity and project members were literate enough to be able to learn and utilize good management practices. In addition, the project membership size of 4 to 31 and a mean of 10.65 provide a good number for effective control and management.

### **3.2 Transfer and application of the learnt skills to project members**

The principal objective of the workshops was to transfer management skills to the participants. Workshop participants were expected to transfer the skills learnt during the workshops to other project members on their return from the workshop. In turn, all project members were expected to utilize the acquired skills in improving their projects' management and operations. Thus,

the transfer of skills learnt during the workshop to project members and their application are critical in effective management of the projects.

### ***3.2.1 Transfer of the learnt skills to project members***

During the evaluation process, respondents were asked whether they briefed their members on the workshop outcomes. A large majority (83.3%) indicated that they briefed their members, while 16.7% did not. A few of these respondents did not attend the workshops, consequently answered in the negative. It is considered that the time of briefing members was important. The workshop participants were expected to brief their members within two weeks after the workshop. It was found that 64% did so within a week of return; while 28% did so after a month. However, there was no significant difference in time of briefing members in relation to offices held by workshop participants, except in case of chairpersons, where a substantial proportion delayed briefing project members on newly acquired skills. The same proportion of the male and female respondents briefed their members on the outcomes of the workshops (i.e. 83.3% in both groups), but the female workshop participants tended to be more prompt in briefing their members.

### ***3.2.2 Application of the learnt skills by project members***

Majority of the respondents indicated that they learnt these skills during the workshop and had started applying them to their businesses in varying degrees. Two thirds of respondents had changed some of their management practices as a result of workshop. Hence, improved management efficiency and outputs were realized from the projects. The rate of application seems to have been determined by such factors as the complexity of the concept, the project leadership's perception of the effect of the skill/concept on the power project management power relations. While many easily adopted the relatively simple record keeping, the more complex issue of participatory management may have been considered as erosion of project leaders' managerial powers, thus they were less enthusiastic in its implementation. In the application of skills learnt during the workshops, there was no significant difference between male and female participants.

### ***3.3 Measuring the impact of the workshops***

The impacts of the workshops were measured using the following parameters: positive changes in business size (volume and value); improvement in personnel and financial management; new investments made after the

workshops; adoption of new funding strategies, and improvement in project's income after the workshops.

### ***3.3.1 Change in business size (volume and value)***

About 43% reported a change (an increase) in the size of their business as a result of attending the workshop(s) and 57% indicated that there had not been any changes in the size of their businesses as at the time of the evaluation. The large proportion reporting no changes in the business sizes could be attributed to the relatively small time lag between the workshops and evaluation. A full impact of the workshops would require a longer time period of years rather than months.

On the average, the value of output increased from R3950 to R13400 (that is over 200% increase). Average improvement in monthly income was R4054.43 per project or R405.4 pre project member. This is substantial considering that new investments were made by projects as a result of the workshops, such as purchase of stock for resale, opening bank account, purchase of agricultural equipment. These are also indications that workshop training of unskilled and narrowly skilled adult workers in rural areas could have some good returns in low- and middle-income economies. However, there was high variability in both value of outputs and monthly incomes across the projects, due to variability in project types, size and profitability.

### ***3.3.2 Changes in management practices***

It was difficult to ascertain the exact changes made in management practices. When asked about changes made after attending the workshops, two thirds of the respondents indicated that some changes were made; 10% claimed to have changed their entire management practices while 20% indicated that they did not make any changes at all (see Table 2). Similar resistance to change and adoption has been documented in literature and empirical studies worldwide (Feder, Just and Zilberman, 1985). Some of the major factors, that affect adoption or resistance to change, are education, expected monetary gains, access to information and training (Okorie, 1992; Wilson, 2001; and Bizimana, Nieuwoudt & Ferrer, 2002). Overwhelming majority (92.6%) of respondents indicated that the workshop(s) helped them improve the financial management of their projects. Such improvements occurred with respect to preparing the balance sheets, income statement, cash flow statement, receipt books and progress reports.

**Table 2: Indicated level of changes made in management after attending the workshop**

Level of change		Number responding	% answering Yes
1.	Changed some management practices	20	66.67
2.	Changed the entire management practices	3	0.10
3.	Did not change any management practices	6	0.20
	Missing	1	0.03

### **3.3.3 Adoption of new fundraising strategies**

Workshop participants adopted new fundraising strategies as a result of the workshops. Majority of the projects relied on monthly contributions by members and writing fundraising proposals. Other strategies used include raising loans, seeking donations, charging joining fees and profit from product sales. Over 36% applied for loans after the workshop. Two of the applicants had got loans. However, majority of the projects did not apply because of inability to prepare business records, lack of security and lack of confidence in their ability to repay. Fear of inability to repay is understandable, as the average project income per annum in Vhembe District was estimated at R26 748.00 before the workshops and R48 648.00 after the workshop; for some of the projects these were much lower.

### **3.3.4 New investments since attending the workshop(s)**

During the workshops, participants were encouraged to undertake new investments to make their projects viable. Fifty percent of the respondents indicated that they had made new investments while the other half indicated that they had not. The new investments mentioned are: the opening of a bank account, which was most frequently mentioned; this is followed by purchase of stocks for resale. Opening bank account enables the projects to deposit and save money, and is also a precondition for getting grants and loans. Purchase of farm inputs and other stocks for resale was mentioned several times because many of the projects, especially cooperatives, were already involved in trading in agricultural inputs and convenience goods such as soaps, matches, sugar, et cetera.

### **3.3.5 Overall impression on the usefulness of the workshops**

The conduct of the workshops was rated as excellent or very good by a majority of the participants (over 90%). Also, 96.7% regarded the workshop's impact on the management of their projects and businesses as substantial. Both male and female members were similar in their assessment of the workshops' impact; majority of them rating the workshops as excellent and useful. These are clear indications of the satisfaction participants derived from the workshops. Despite their satisfaction with the workshops, some project members indicated their desire for further training in management skills, preparation of business plans, record keeping, preparation of financial statements, marketing skills, cooperative principles and conflict resolution techniques.

### **3.3.6 Improvement in projects' incomes**

About 44% of the respondents indicated that they noticed improvement in their organisations' incomes after attending the workshop(s); others did not. However, the time lag between the workshop and evaluation (in February 2002) could be considered too short for some projects to have noticed significant improvements in income, depending on the nature of their business. In value terms, the estimated improvement in monthly incomes of the project ranged from R200 to R12 000 and averaged R4 054.43. The project monthly incomes were generally small. Before the workshop, monthly project incomes ranged from R10.00 to R10 000.00 and averaged R2 229.00. After the workshop, these monthly incomes rose considerably for some of the projects, averaging R6 283.43 with a range of R300.00 to R24 000.00.

## **4. CONCLUSION**

Workshops, as a form of post school training, provide opportunities to share new knowledge, technologies and skills in a conducive and informal environment. The response of workshop participants shows that the workshops brought enormous changes in the agribusiness operators' attitudes and skills. Also, empirical evidence from this study suggests that a well-targeted skills training of the leaders and members of community based organisations, non-governmental organisations and cooperatives could result in increases in income of rural residents. The analysis further points to the need for further training of agribusiness operators in the District, especially other members of the community projects who could not benefit from the two skills' training workshops.



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