

**IMPACT EVALUATION OF USAID SPONSORED HUMAN RESOURCES
DEVELOPMENT PROJECT IN ZAMBIA: 1993-1995**

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ACRONYMS AND ABBREVIATIONS

AFGRAD	African Graduate Fellowship Program
API	Assessment of Program Impact
CAII	Creative Associates International, Inc.
CAU	Clark Atlanta University
CPSP	Country Program Strategic Plan
GDO	General Development Officer
GRZ	Government of the Republic of Zambia
HIRD	Human and Institutional Development Project
HRD	Human Resources Development Project
HRDA	Human Resources Development Assistance Project (USAID\Africa Regional Project)
HRDO	Human Resources Development Officer
LSGA	Limited Scope Grant Agreement
MCTI	Ministry of Commerce, Trade and Industry (GRZ)
MIS	Management Information System
NCDP	National Commission for Development Planning
NGO	Non-governmental Organization
PEC	Project Executive Committee
PSC	Personal Service Contractor
PSSU	Project Services Support Unit
SME	Small and Medium Enterprises
SSIAZ	Small Scale Industries Association of Zambia
TOR	Terms of Reference
USAID	United States Agency for International Development
UBZ	United Bus Company of Zambia
ZA	Zambia Airways

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PREFACE

The research and interviewing for the Human resource Development Project Impact Evaluation took place over a six months period which began in March and ended in August 1995. A two-person team was assembled by the contractor, M and N Associates Limited. The team was composed of David Musona (as Team Leader), who is a Managing Consultant at M and N Associates and a Specialist in project management, evaluation, smallholder credit and training; and Gertrude Ngenda (Evaluation Specialist), M and N Associates senior associate Consultant.

The methodology used in this evaluation is explained in **Section I**. This methodology is based on the Impact Monitoring Plan designed by AMEX International, Inc. and Creative Associates International, Inc. both of USA. This is the first effort to implement an impact monitoring plan using the framework at Mission level. It is also the first attempt to focus solely on in-country training, and a narrow target group.

The team would not have been able to complete its work without the solid support from the USAID/Zambia Mission, in particular Dr Joseph F. Stepanek (Mission Director), Mr Val Mahan (GDO), Mrs Asina Sibetta (HRDO). The HRD Project staff, in particular Mr Wilbur Jones (Project Implementation Officer), Mr Max Sichula (Training Coordinator), Mr Warson Chisamba (Training Coordinator), members of the Project Executive Committee (PEC), the HRD former participants who spent time completing questionnaires, answering questions as case study subjects and attending focus group interviews enabling the team to gather a wealth of data on the impact of their training. Finally, the team is grateful to Mr Kambidima Wotela for processing and analysing the research data and M and N Associates support staff for their various contributions. The team is grateful for the time and interest shown.

EXECUTIVE SUMMARY

BACKGROUND TO USAID/ZAMBIA'S HRD PROJECT

The USAID/Zambia Mission has been active in training Zambians for over 30 years, under a variety of Programs. The Mission supported training under the regional African Graduate Fellowship (AFGRAD) Program I, II and III which ran from 1963-1993. In recent years the Mission has sponsored training through the AFGRAD successor Project, African Training for Leadership and Advanced Skills (ATLAS), another regional Project for technical degrees and short-term post-graduate studies.

The first Mission bilateral training project to sponsor in-country training was the Human and Institutional Resources Development (HIRD) project. The HIRD, which was implemented from 1985 to 1991 by an institutional contractor, focused on public sector training.

In 1991, USAID/Zambia began participating in the regional Human Resources Development Assistance (HRDA) Project which had become available to Missions in 1988. Each HRDA project is designed by the participating Mission in cooperation with the host country. Funds are obligated through a Limited Scope Grant Agreement-(LSGA) between the USAID Mission and the host government. The first LSGA for HRDA/Zambia was signed on September 19th, 1991.

In the first two years (1991-1993), the Project was managed by a Personal Service Contractor (PSC). USAID/Zambia also continued to rely on the counsel and involvement of the Project Executive Committee (PEC), founded under the HIRD Project. The Membership of the PEC was exclusively public sector individuals. The chair of the PEC was the Permanent Secretary of the National Commission for Development Planning (NCDP).

The focus of the project was deliberated in February 1992 when a Project Implementation Seminar was held in Livingstone, Zambia, with the facilitation assistance of the Coverdale Organization of Washington, DC. Twenty-three key public and private sector officials and individuals, and USAID staff, participated in this seminal event where the training needs, implementation and the role of the private and public sectors in Zambia were discussed.¹ One of the outcomes of the seminar was to change the name of the

¹This was the first time USAID/Zambia involved private sector officials and individuals in planning a national project.

project from HRDA to the Human Resources Development (HRD) project, dropping the word "Assistance" since it might imply an unequal partnership.

With the beginning of a major privatization project by USAID/Zambia in 1993, the Mission decided it was important to refocus the HRD project. Given the contractual limitations of PSCs in terms of administration and procurement, the Mission signed a Cooperative Agreement with Clark Atlanta University (CAU) to manage and implement the HRD project for two years from September 30th, 1993 to September 30th, 1995. This also had the effect of bringing needed additional expertise in business skills training and resources to bear on the project.

Under CAU, the HRD project focuses on owners and managers of Small and Medium Scale Enterprises (SMEs). The project is specifically aimed at helping Zambia achieve market-oriented, sustainable development based on a growing, more influential private sector. The HRD Project is designed to achieve the following:

- * Assist Zambia to improve the management of its economy by expanding the role of the private sector;
- * Increase the size and viability of Zambian SMEs businesses; and
- * Enhance the prospects for long-term increases in productivity in the private SMEs sector.

With the shift in focus also came a shift in the relationship with the Government of Zambia. HRD now works with the Ministry of Commerce, Trade and Industry (MCTI) which is responsible for private sector development. The Permanent Secretary of MCTI serves as the PEC Chairman. The membership of the PEC has changed from one exclusively public sector individuals to one predominately from the private sector. The transition from NCDP to MCTI is reported to have been extremely smooth. The Training Sub-committee, which began under HRDA, has continued to be involved in the design and implementation of HRD project.

THE PURPOSE

The purpose of this Impact Monitoring and Evaluation is to provide USAID\Zambia with information to determine the value of the training project and justification, if any, for continuing this type of training. The broad objectives, for which impact evidence is sought are to:

1. measure or estimate the economic behaviour change induced by this training;

2. determine the extent the change was attributed to the training; and
3. estimate the extent the training was critical to the change.

THE METHODOLOGY

This study utilized mainly primary sources of data, however, secondary sources were used where appropriate especially in respect of Case Studies. The main research instrument for this study was a postal questionnaire which was sent to 450 former trainees who had completed at least three (3) months post-training period.² Additional quantitative and qualitative data was collected through five Focus Group Interviews and three Case Studies.

By closing date for this report (August 25th, 1995) 202 completed questionnaires had been received. Statistically, a sample of 202 out of a population of 450 would be considered valid. Therefore, the response rate of (45%) is not expected to adversely affect the results of this study. Besides, the typical response rate for a postal questionnaire is between 20 and 40 percent.

The validity of the basically self-assessed methodology is sometimes questioned, however, when such a methodology is used and supplemented with case studies and focus group interviews the results are considered valid, because case studies and focus group interviews provide the necessary controls. In this study as mentioned elsewhere, case studies and focus group interviews were used among other reasons to validate the results of the self-assessed questionnaire.

THE IMPACT OF HRD TRAINING WORKSHOPS

The analysis of the data collected is presented in the body of the report, we have distilled the principal conclusions concerning the impact of HRD training since 1993. These findings are grouped below by level in the development hierarchy.

² Due to minimum three (3) months post-training period, courses conducted after May 31st, 1995 have not been included in this impact evaluation.

PRINCIPAL FINDINGS

A. IMPACT ON THE INDIVIDUAL TRAINEE

- * Skill Acquisition: To measure the HRD Training workshop impact on individual trainee capacity and performance, the Post-Training Impact questionnaire included a question designed to indicate skill acquisition. Ninety-nine (99) percent of the respondents said they acquired basic skills in Business Planning and Basic Finance. Of the One hundred eighteen (118) respondents who had attended Marketing Management workshop, Ninety-eight (98) percent indicated that they acquired basic skills. Similarly most of the respondents who had attended the rest of the workshops indicated that they acquired basic skills.

- * Application of Skills: About fifty-three (53) percent of the respondents established Books of Accounts after HRD training. While seventy-nine (79) percent prepared Business Plans after HRD training. Seventy-nine (79) percent developed a market strategy after HRD training. Sixty-one (61) percent prepared Tenders after HRD training. Seventy-seven (77) percent introduced quality control techniques. Eighty-seven (87) percent introduced improvements to production management. Eighty (80) percent indicated improved record keeping and accounting. The foregoing would suggest that the acquired skills were being applied at the work place and therefore, suggests improved performance by the former trainees.

- * The Extent of the Application of the Acquired Skills: Most of the respondents, Ninety-Nine (99) percent (See Table VI below) reported to have used the acquired skills in their businesses. Of which seventy-one (71) percent put into practice a great deal of what they learned in the HRD workshop(s). Therefore, there is evidence to suggest that the HRD training improved the capacity and performance of the trainees.

TABLE VI: INDICATION OF THE DEGREE OF IMPROVED PERFORMANCE.

Question 10: "How much of what you learned in the HRD workshop(s) have you been able to put into practice in your business".

RANK	FREQUENCY	PERCENTAGE
None	2	1.0

A Little	55	27.2
A Great Deal	144	71.3
Missing	1	0.50
	202	100

- * Ninety-five (95) percent of the respondents indicated that they would recommend HRD training workshops to others. This being an overall indicator of the level of the trainees' satisfaction, we would, therefore, conclude that almost all the trainees were satisfied with the HRD training workshops.

B: IMPACT OF HRD TRAINING ON THE SMES (INSTITUTIONAL LEVEL)

- * Improved Performance of Firm:

As per theory, the trained individual is the agent for change, however, an institution must coordinate, energize, and diffuse change in order for impact to occur beyond the trained individual. In the case of the USAID/Zambia HRD Project the link between the individual and the institution is strong since the trainee is most often the owner/operator of a small business firm. Thus, the individual trainee has considerable control over the firms' ability to affect change, if the capacity and performance of the trainee improves, the capacity and performance of the firm is likely to improve. Having ascertained that the capacity and performance of the trainees had improved after the HRD training, we attempted to measure the impact on the business firms.

- * Firms reported very good performance in respect of the establishment of new markets, Seventy-two (72) percent of respondents reported that they approached new markets, as a result of HRD training. The second good performance was reported in respect of financial management, seventy (70) percent of respondents reported that financial management improved after HRD training. The third good performance was in respect of improved quality of products/services. Seventy (70) percent reported that they improved the quality of products/services after the HRD training. This achievement is important because it facilitates competition under free market environment. It therefore, plays a vital role in the development of a buoyant private sector.

- * Also of significance was the improved financial management after HRD training reported by Seventy (seventy) per seventy percent of respondents.

I'm glad to report that since attending the workshops, I have been actively involved in the promotion of high value crops.

(former HRD trainee)

* The question of whether HRD training was critical to the changes observed at the institution level, received an overwhelming positive response, eighty-three (83) percent of the respondents reported that they would not have done any of the activities without the HRD training. This as an indicator of the likelihood that the change would not have occurred without the HRD training workshop(s), suggests the criticality of training for the observed changes.

TABLE XIV: ATTRIBUTION

Question 16: "To what extent do you think these changes are direct results of the HRD training"

	Frequency	Percentage
NONE	2	1.0
A LITTLE	22	10.9
A GREAT DEAL	171	85.1
MISSING	7	3.0

* As can be seen from Table XIV above, most of the respondents, eighty-five (85) percent thought that the observed changes were a direct results of the HRD training. These results suggest a link between impact and the intervention. We would therefore, other things being equal, conclude that the observed changes were direct results of the HRD training.

TABLE XV LONG TERM IMPACT ON THE FIRM

Question 19: "Have the gross revenues of your business increased since the HRD training."

	Frequency	Percentage
YES	151	74.8
NO	37	18.3
DO NOT KNOW	36	3.0
MISSING	8	4.0

- * The long-term impact on firms was measured by the increase in gross revenues of the businesses since the HRD training. Seventy-five (75) percent of the respondents indicated that gross revenues of their businesses increased after HRD training.
- * Revenue increases were quite remarkable: over 30% of the respondents reported revenue increases of over 50 percent. Therefore, it can be concluded that the training has had a long-term impact on the firms and most likely on the sector.
- * The increased revenue was largely utilized on business expenditure. For example, only 23% of the respondents reported having used increased revenue for personal expenses. The bulk of these revenues were used for:
 - * Raw materials/supplies 63.9% of respondents;
 - * New products/services 44.3% of respondents;
 - * Equipments, buildings, and land procurement 37.3% of respondents; and
 - * Debt service 36.4% of respondents.
- * The above suggests increased investment, therefore, the foregoing confirms our earlier conclusion on the long-term impact of the HRD training on the firms.
- * The HRD training offered the trainees other benefits, of which the most cited were;
 - * Increased awareness of the importance of good management skills;
 - * Increased confidence;
 - * Better separation of business and family matters; and
 - * Increased motivation.

- * Evidence from Case Studies: The three Case Studies show evidence of improved capacity and performance of former trainees and subsequent improved capacity and performance of the firms. The interviews show continued improvement in performance in all the case studies, One of the case study Company (Malala Wholesalers) performed so well that it has won recognition from the local community and the government³. The results of the case studies have continued to support the evidence from mailed questionnaire and focus group interviews.
- * Evidence from Focus Group Interviews: The five thematic focus group interviews indicated that the trainees acquired skills and were applying them in their businesses, several specific examples of achievements were cited. Also there was evidence to suggest that the impact of the HRD training was positive. These results render support to the evidence from the mailed questionnaire and case studies.

RECOMMENDATIONS

1. On the basis of our analysis it is evident that the HRD training workshops have had a positive impact on the SMEs and is in line with the Mission's current CPSP objectives and since the total coverage is only Six Hundred (600) participants we recommend that the training program be extended so that more SMEs would benefit.
2. We observed that one of the constraints former trainees were facing was lack of access to credit, therefore, we recommend that the HRD Training Program should work out a system to include referral and continuation of the current efforts of sensitising banks on viability of investment proposals from former trainees.
3. We found evidence to the effect that, the number of workshops attended had a positive relationship with improved capacity and performance of trainees. We therefore, recommend the continuation of the current practice which encourages trainees who have completed Basic Course to attend further Training workshops.
4. Duration of the workshops was cited by most respondents as being too short for most subjects. We recommend that workshops' duration be increased to an average of three (3)

³ See Malala Wholesalers Limited Case Study.

weeks this will enhance effectiveness.

5. The design of future training programmes should have provision for inclusion of topical subjects such as VAT as and when need arises. This will ensure continued relevance and effectiveness of the training workshops.
6. The Government of the Republic of Zambia should ensure effectiveness of such training by providing/and or facilitating access to soft loans to former trainees.
7. The Government of the Republic of Zambia and/or SSIAZ should ensure continuity of the training programmes even after USAID stops sponsoring through a cost sharing approach with participants. The current initiatives to train master trainers should continue and in addition, local training institutions should be identified and encouraged to participate in the training programmes so that eventually, local training institutions would takeover the running of the programmes.

SECTION I

BACKGROUND TO USAID/ZAMBIAN'S HRD PROJECT

The USAID/Zambia Mission has been active in training Zambians for over 30 years, under a variety of Programs. The Mission supported training under the regional African Graduate Fellowship (AFGRAD) Program I,II and III which ran from 1963-1993. In recent years the Mission has sponsored training through the AFGRAD successor Project, African Training for Leadership and Advanced Skills (ATLAS), another regional Project for technical degrees and short-term post-graduate studies.

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The focus of the project was deliberated in February 1992 when a Project Implementation Seminar was held in Livingstone, Zambia, with the facilitation assistance of the Coverdale Organization of Washington, DC. Twenty-three key public and private sector officials and individuals, and USAID staff, participated in this seminal event where the training needs, implementation and the role of the private and public sectors in Zambia were discussed.⁴

This was the first time USAID/Zambia involved private sector officials and individuals in planning a national project.

One of the outcomes of the seminar was to change the name of the project from HRDA to the Human Resources Development (HRD) project, dropping the word "Assistance" since it might imply an unequal partnership.

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- * Assist Zambia to improve the management of its economy by expanding the role of the private sector;
- * Increase the size and viability of Zambian SMEs businesses; and
- * Enhance the prospects for long-term increases in productivity in the private SMEs sector.

With the shift in focus also came a shift in the relationship with the Government of Zambia. HRD now works with the Ministry of Commerce, Trade and Industry (MCTI) which is responsible for private sector development. The Permanent Secretary of MCTI serves as the PEC Chairman. The membership of the PEC has changed from one exclusively public sector individuals to one predominately from the private sector. The transition from NCDP to MCTI is reported to have been extremely smooth. The Training Sub-committee, which began under HRDA, has continued to be involved in the design and implementation of HRD project.

On March 8th, 1995, a contract was signed with M and N Associates Limited to implement an Impact Monitoring Plan. The objective of the Plan is to carry out an assessment of the impact of the HRD Project training provided from October 1st, 1993 through September 30th 1995.⁵ The purpose of this evaluation is to provide USAID/Zambia with information to determine the value of the training project and justification, if any, for continuing this type of training. Impact evidence sought are to:

⁵ For TOR see Appendix I

1. measure or estimate the economic behavior change induced by this training;

2. determine the extent the change was attributed to the training; and
3. estimate the extent the training was critical to the change.

PRINCIPAL METHODOLOGICAL ISSUES

The Impact Monitoring Plan under implementation in this report was designed by AMEX International, Inc./Creative Associates International, Inc., based on USAID/washington's training impact evaluation methodology developed in 1991⁶ and a subsequent report entitled An Integrated Methodological Framework for Enhancing and Evaluating the Development Impact of Training: The framework has been applied and tested in various Countries such as Swaziland, Rwanda, Tanzania and Cameroon.

This is the first effort to implement an impact monitoring plan using the framework at the Mission Level. It is also the first attempt to focus solely on in-country training, and on a narrow target group.

Although the plan was designed around monitoring the management and impact of short courses for owners/operators of small and medium scale enterprises (SMEs), it is guided by the general impact framework. In turn, the practical application of the framework by USAID/Zambia is expected to contribute to the development of the methodology.

The Monitoring Plan under implementation draws on aspects of several models widely used in evaluating international development interventions. These models incorporate different approaches, such as (1) measuring achievements against stated program goals and project purposes (using the logical framework as an evaluation tool); (2) reconstructing pre-training conditions, in the absence of reliable baseline data, based on perceptions of the trainees; and (3) analyzing Leading indicators that are specific to the intervention. The methods and instruments used in this study rely on social science research, including written survey questionnaires, focus groups and case studies.

Definition of Impact

The methodological framework mentioned above defines impact as "the economic, social and political change that results from an intervention altering the quality of life for a nation or a designated." subset of the Population."⁷ Based on this definition, evaluating impact should aim to:⁸

- * Measure (or estimate) the economic, Social or political change induced by an intervention (in this case training);
- * determine the extent the change was attributable to the intervention;
- * estimate the extent the intervention was critical to the change;
- * reveal how and why the change occurred, in part by considering the design and implementation of the intervention; and
- * assess the role played by internal and external factors.

To design or conduct an evaluation of training impact a theoretical framework is used to guide the observers to reasonable conclusions. These conclusions in turn can inform development planners about the value and relative efficiencies of the training. The theoretical framework stipulates that impact, or induced change, occurs at various levels from the individual trainee through the institution, sector, nation and occasionally, the region. It recognizes that, while the levels are interrelated, an observer can view change through the assistance of a construct which requires impact measurement at each of these levels, a development impact hierarchy.

7 Ibid; Page 1

8 Ibid; Page 1

With the trained individual as the agent for change an institution must coordinate, energize and diffuse change in order for impact to occur beyond the trained individual. In the case of the USAID/Zambia HRD project, the link between the individual and the institution is strong since the trainee is most often the owner/operator of a small business firm. Thus, the individual trainee has considerable control over the firm's ability to affect change; if the capacity and performance of the trainee improves, the capacity and performance of the firm is likely to improve.

Development Impact Hierarchy

Continent

Nation

Target Beneficiary Population

Sector

Institution

Individual

Further up the hierarchy, but largely beyond the control of the training intervention, the sector must absorb and integrate improvements introduced by institutions.

At the country level, change needs to be supported through policy enhancements, macro-analysis and an economic and social system conducive to change. As the development hierarchy can help us view impact vertically, stages of the development process can help us view impact horizontally overtime. A horizontal presentation of the impact, or the development impact continuum, allows the evaluator to assess effects of training at several points in time. The design and delivery of training, for example, can be measured at the end of a course, while the application of training can be measured two or three months after training,

ADAPTED FROM : USAID/Zambia HRDA
Impact Monitoring Plan.

Amex International, Inc./Creative
Associates

International, Inc.

and the institutional impact may be assessed one to three years later. Thus, the evaluator does not need to wait for years to determine whether the training has been effective. Further, as each stage is determined to be successful, it becomes increasingly likely that development impact will occur.

The development impact continuum allows the evaluator to distinguish between the preconditions to impact and actual effect or changes. Before training can have the desired impact, it must be effectively designed and delivered in a way that will increase the trainees capacity. In turn, the trainee must apply the training in a manner that affects the capacity and performance of the institution. These stages must occur before there is development impact from training and thus should be considered preconditions to impact.

The continuum also allows program planners and decision makers to determine whether the intervention (or the project inputs, which are found at the left end of the continuum) can be linked to the sectoral or national goals (at the right end) that the USAID Mission is trying to achieve.

These goals are articulated in the Country Program Strategic Plan (CPSP). There is growing pressure from USAID/Washington to link each project in the Mission's portfolio to the CPSP, especially in the case of bilateral projects. The following development impact continuum illustrates the linkage.

DEVELOPMENT IMPACT CONTINUUM

PRECONDITIONS TO IMPACT				IMPACT	
Development intervention	Increased capacity of trainee	Improved performance of trainee	Improved performance of institution	Institutional Impact	Sectoral Impact
Design and delivery of training	Acquisition of skills, knowledge, attitudes	Application of training	Institutional changes in policies, practices, procedures	Economic effects of changes	Cumulative effects of institutional changes

Adapted from : USAID/Zambia HRDA Impact Monitoring Plan.

When a change is identified, a link to the training intervention must be established to draw inferences that the training was related to the change. The key questions in determining the nature of the relationship between the change and the intervention revolve around:

- * Causality - Is each change in the development hierarchy and continuum a necessary, albeit insufficient, factor

to explain change at the next level?

- * Attribution - Can the change be traced back to the training?
- * Criticality - What is the likelihood that the change would have occurred without the training?

There are no hard certainties here, no conclusive evidence that one activity causes a given change, since it is impossible to exclude all the factors that affect change or to control the variables. Nor can the reliability of the data be entirely assured, since evaluators must often rely on self-assessments from the trainees.

Since it would be costly to control the variable, and virtually impossible to isolate all the factors, end-users of the evaluation data must accept that absolute causality, attribution, and criticality cannot be proven.

There are many internal factors that influence the extent to which the training will have an impact on the individuals, institutions and sectors involved. Internal factors are those that are within the control of the project or the management of the firm. For example, the relevance and quality of the training that is delivered to trainees, determines, in part, whether the training will be applied. There are also numerous factors, internal to the management of the firm, such as the interest and commitment of superiors, colleagues and subordinates to implement change. so, even if a training course were effectively designed and delivered, skills were successfully acquired, and the trainee made diligent efforts to apply the training, it would not result in impact if the organisation could not absorb or diffuse the changes.

In addition, there are numerous exogenous constraints or external factors. These factors include larger issues that are outside the control of the project management staff or the organization, such as government policies, economic conditions, and cultural and social practices and attitudes.

THE METHODOLOGY

This End of Contract Final Report is a cumulative analysis of the previous two interim reports which utilized mainly primary sources of data, however, secondary sources were used where appropriate especially in respect of Case Studies. As mentioned elsewhere the main research instrument for this study was a postal questionnaire which was sent to 450 former trainees who had completed at least three (3) months post-training period. Additional quantitative and qualitative data was collected through five Focus Group Interviews and three Case Studies.

Pretesting the Questionnaire

The Post-Training Impact Questionnaire was pretested during the first phase of this study in a pilot survey to test whether:

- * the design is logical;
- * questions are clear and easily understood;
- * stated alternatives are exhaustive; and
- * the length of time it takes to complete the questionnaire.

A sample of ten Lusaka based former trainees were chosen using a stratified random sampling technique. A sampling frame of all Lusaka based former trainees was used and every tenth former trainee on the sampling frame was chosen. The questionnaire was hand taken to and collected from the selected respondents in order to speed up the process and avoid low response. The questionnaires

were collected from respondents on the third day after delivery. Of the ten questionnaire, eight (8) were collected from respondents on the third day. The two (2) which were not ready, one on account of the respondent not being available at business premises, he is believed to be in the process of winding up his business. The other was due to the respondent being away attending to a family funeral.

Seven of the respondents answered all the questions logically, one respondent did not answer one question logically. It would appear he did not understand the question. The average time to complete the questionnaire was 15 minutes.

The Pilot Survey established that:

The design of the questionnaire was logical, the questions were clear and easily understood, the stated alternatives are exhaustive and that it takes on average 15 minutes to complete the questionnaire. There was, therefore no need to revise the questionnaire.

Data Collection

1. Postal Questionnaire

As mentioned elsewhere in this report the principal research instrument used was a postal questionnaire. This impersonal survey method has both advantages and disadvantages as follows:-

A. Advantages

(i) **Lower Cost:** It is cheaper than personal interviewing, mainly because:

- * The mail questionnaire does not require a trained staff of interviewers;
- * The processing and analysis are usually simpler and cheaper than those of the personal interview; and
- * When the population under study is widely spread geographically the cost of personal interviewing could become prohibitive.

(ii) **Reduction in biasing error:** The second major advantage of the questionnaire is that it reduces biasing errors that might result from the personal characteristics of interviewers and from variabilities in their skills.

(iii) **Considered Answers and Consultations:** mail questionnaires are preferable when questions demand a considered answer (rather than an immediate) or if the answer requires consultations of documents or other people.

(iv) **Accessibility:** As alluded to earlier the mail questionnaire permits wider geographic contact with minimal cost.

B. Disadvantages

(i) **Low Response Rate:** Perhaps the most serious problem, is that mail questionnaires often fail to obtain an adequate response rate. The reported response rates are much lower than for personal interviews;

(ii) **No control over who fills out the questionnaire:** Researchers have no control over the respondent's environment, thus they cannot be sure that the right person completes the questionnaire. An individual other than the intended respondent may complete it.

(iii) **Requires Simple Questions:** The mail questionnaire can be used as an instrument for data collection only when the questions are straight-forward enough to be comprehended solely with the help of printed instructions and definitions; and

(iv) **No Opportunity for Probe:** The answers have to be accepted as final; there is no opportunity to probe beyond the given answer.

MEASURES TAKEN TO IMPROVE RESPONSE RATE

In order to improve the response rate, four strategies were used, namely;

- (1) **Sponsorship:** Both the questionnaire and the covering letter stated, that the survey was sponsored by USAID/Zambia. Sponsorship affects the response rate by convincing the respondents of the study's legitimacy and value as well as the perceived sanctions with failure to reply.
- (2) **Cover Letter:** As mentioned earlier, a cover letter was used to convince the respondents to fill out the questionnaire and mail it back. This semi personal letter, among other things, identified the sponsor of the study, explained it's purpose and emphasised the importance that they fill out the questionnaire (**see Appendix IX**).

- (3) **Type of Mailing:** A stamped, self-addressed envelope was enclosed to facilitate response.
- (4) **Follow-up:** A follow-up telephone call was made to all respondents with telephone facility approximately two weeks after the first mailing.

The second follow-up was a reminder letter (**see Appendix X**) and a replacement questionnaire with a stamped, self-addressed return envelope sent at the end of sixth week. For respondents without telephone facility only reminder letter was sent.

Response Rate

The mailing of questionnaires for Phase I of the study coincided with a major disruption of mail services arising from the liquidations of United Bus Company of Zambia (UBZ) and Zambia Airways (ZA) both of which were major domestic mail carriers. Since most questionnaires were received late by respondents, (after suggested closing date) this might have adversely affected response rate.

Consequently, by closing date for this report (August 25th, 1995) 202 completed questionnaires had been received. Statistically, a sample of 202 out of a population of 450 would be considered valid. Therefore, the response rate of (45%) is not expected to adversely affect the results of this study. Besides, the typical response rate for a mail survey is between 20 and 40 percent.⁹

ADDITIONAL DATA

In order to deepen and enhance the analysis additional data was collected through case studies and focus group interviews as follows:

2. Case Studies:

In developing the case studies, we were originally expected to trace the trainees through a series of at least three interviews, each, and report how these trainees were particularly successful or unsuccessful in applying their training and increasing their business opportunities, highlighting the links between training and change at various points in time. In this Final Report, we present cumulative analysis of the First and Second Interim Reports. Due to the delay in the commissioning of this Impact Monitoring Plan, it is not possible to conduct a third interview before September 15, 1995.

3. Focus Group Interviews:

As a result of the Production Management course not being offered, it was decided to revise the plan for second phase. The revised plan was to conduct three focus group interviews on the following themes:

⁹ Nachmias C and Nachmias D Research Methods in the Social Sciences
Alternate Second Edition 1991, Edward Arnold.
Page 181.

- * Business Planning and Basic Finance for Women Entrepreneurs based in the Copperbelt;
- * Business Planning and Basic Finance for Women Entrepreneurs based in Lusaka; and
- * Business Contracting for SMEs.

Jointly with the CAU Project staff and with the approval of the USAID Mission, we selected focus group participants. In this Final report we present cumulative analysis of the five focus group interviews conducted over the study period.

Data Processing

Upon receipt of completed Post-Training Impact Questionnaires, coding and data entry was done. A computer statistical package SPSS/PC Version 3.1 for DOS was used to enter data, generate frequency tabulations and cross-tabulations. Quattro Pro 4.0 for DOS was used for graphical illustrations.

The Validity of Results

The validity of the basically self-assessed methodology is sometimes questioned, however, when such a methodology is used and supplemented with case studies and focus group interviews the results are considered valid, because case studies and focus group interviews provide the necessary controls. In this study as mentioned elsewhere, case studies and focus group interviews were used among other reasons to validate the results of the self-assessed questionnaire.

SECTION II

THE IMPACT OF HRD TRAINING WORKSHOPS

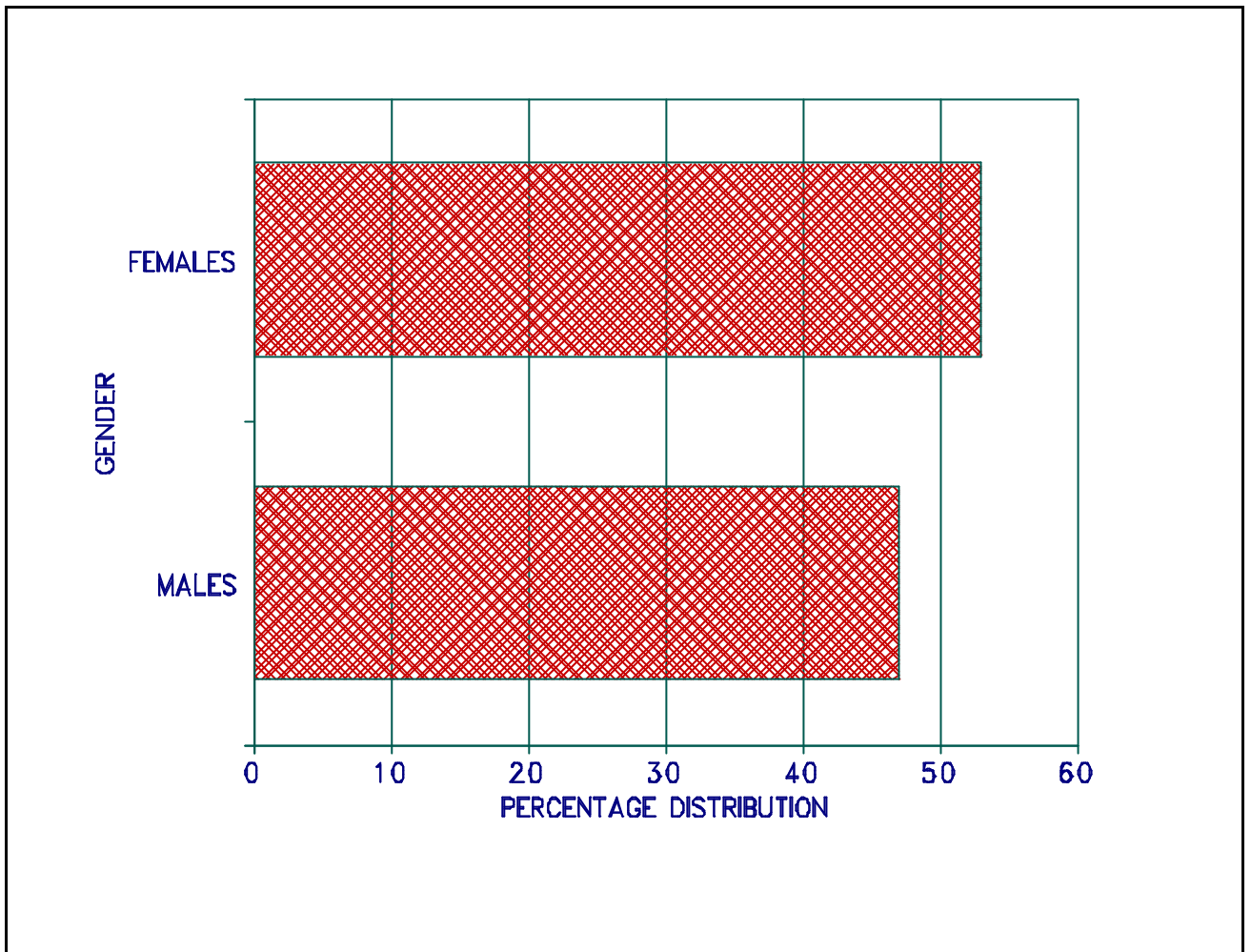
The analysis of the impact of HRD training, in compliance with the theory alluded to in the foregoing section. Begins with the individual trainee, followed by Institution and ends with discussion on sectoral and national impact assessment.

DISTRIBUTION OF TOTAL PARTICIPANTS IN BUSINESS COURSES BY GENDER¹⁰

As can be seen from Table I below, fifty-three (53) percent of the participants were females and forty-seven (47) percent were males. With the foregoing women participation rate, the Mission has exceeded the regional HRDA target of 35 percent.

TABLE I: DISTRIBUTION OF TOTAL PARTICIPANTS IN BUSINESS COURSES BY GENDER

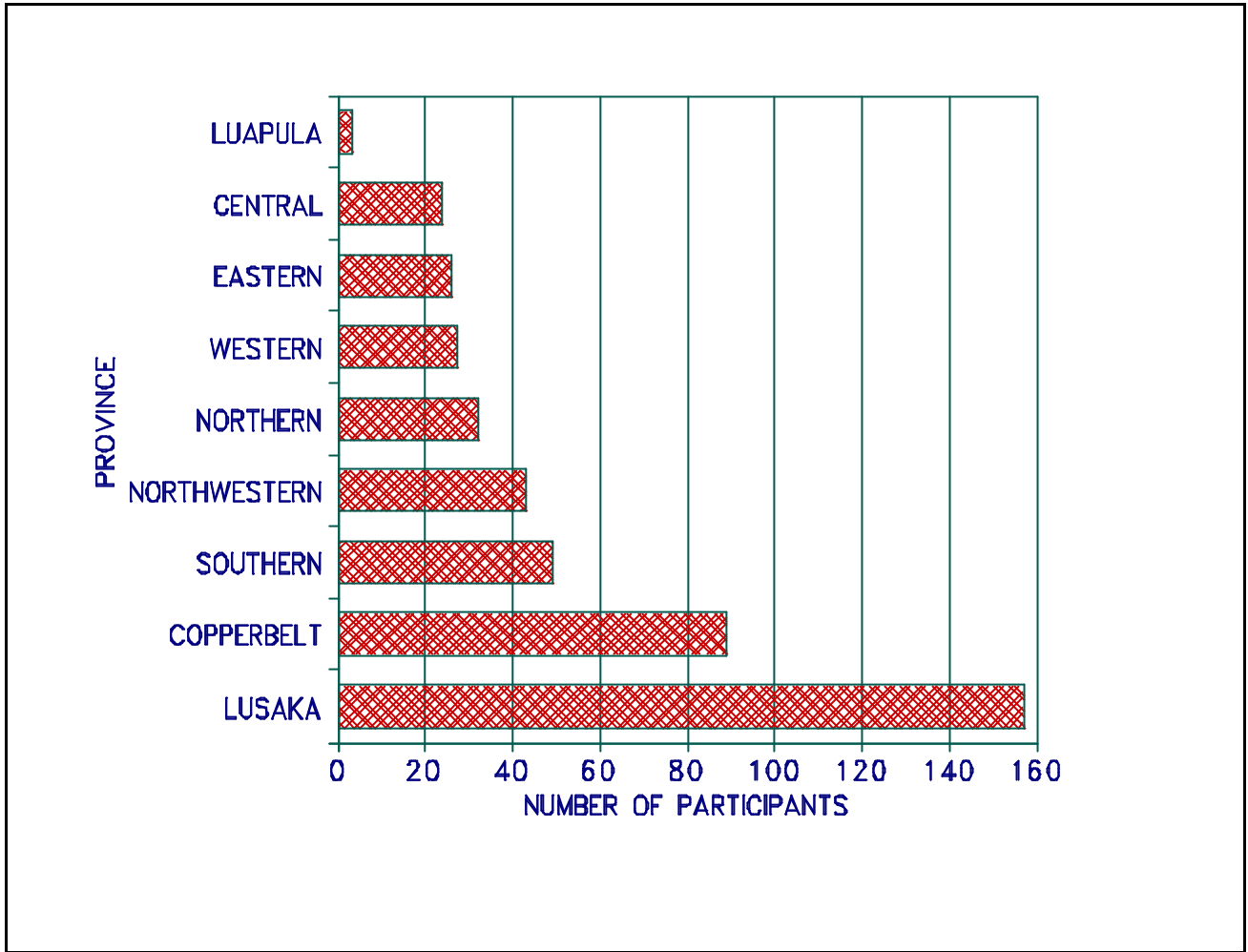
¹⁰ Apart from business courses, the HRD project also offered other training activities/courses (see Appendix VIII for details).



DISTRIBUTION OF TOTAL PARTICIPANTS IN BUSINESS COURSES BY PROVINCE

The HRD Project is a national project, as can be seen from Table II below, the project has drawn participants from all the nine (9) provinces of Zambia.

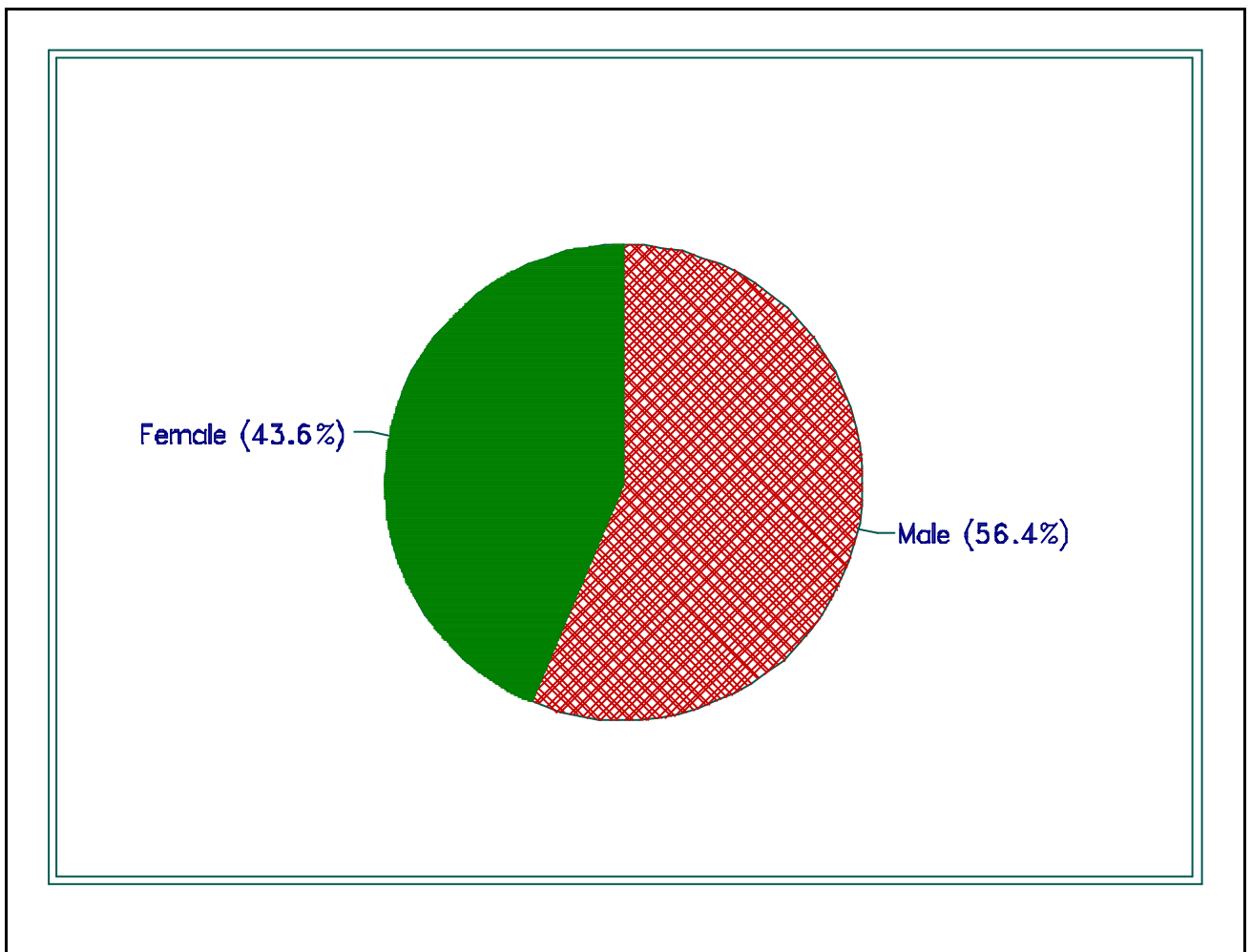
TABLE II: DISTRIBUTION OF TOTAL PARTICIPANTS IN BUSINESS COURSES BY PROVINCE



DISTRIBUTION OF RESPONDENTS BY GENDER

As can be seen from Table III below, fifty-six (56) percent of the respondents were males and forty-four (44) percent were females. These ratios indicate that more males responded to the questionnaire and the respondents gender distribution is significantly different from the population gender distribution.¹¹ We could not find a plausible reason to explain the difference.

TABLE III : DISTRIBUTION OF RESPONDENTS BY GENDER



¹¹ The population comprise 53% female and 47% male trainees.

A. **IMPACT ON THE INDIVIDUAL TRAINEE**

Skill Acquisition: To measure the HRD Training workshop impact on individual trainee capacity and performance, the Post-Training Impact questionnaire included a question designed to indicate skill acquisition.

Ninety-nine (99) percent of the respondents said they acquired basic skills in Business Planning and Basic Finance. Of the One Hundred and Eighteen (118) respondents who had attended Marketing Management workshop, ninety-eight (98) percent indicated that they acquired basic skills. Similarly of the respondents who had attended the rest of the workshops indicated that they acquired basic skills.

Application of Skills: About fifty-three (53) percent of the respondents established Books of Accounts after HRD training. While seventy-nine (79) percent prepared business plans after HRD training, seventy-nine (79) percent developed a market strategy after HRD training. Sixty-one (61) percent prepared tenders after HRD training. Seventy-Seven (77) percent introduced quality control techniques. Eighty-Seven (87) percent introduced improvements to production management (see Table IV below). Eighty (80) percent indicated improved record keeping and accounting. The foregoing would suggest that the acquired skills were being applied at the work place and therefore, suggests improved performance by the former trainees.

The Extent of the Application of the Acquired Skills: Most of the respondents, Ninety-nine (99) percent reported to have used the acquired skills in their businesses (Table VI). Of which Seventy-one (71) percent put into practice a great deal of what they learned in the HRD workshop(s) (Table V). Therefore, there is evidence to suggest that the HRD training improved the capacity and performance of the trainees.

I'm proud to mention that the courses instilled financial discipline in our activities. The knowledge gained from the courses has facilitated wonders and a chain of successful business stories dating back to the time we completed the course. The volume of business has improved and we have established good working relationships with our customers.

Our improving work relationships with our customers has made us enter into a working contract with Ministry of Works to supply them with various items worth millions of Kwacha. We have already supplied an initial shipment worth K2 million to the Buildings and Roads Department.

(former HRD trainee)

TABLE IV: INDICATOR OF IMPROVED PERFORMANCE OF TRAINEE

Question 9. "Which of the following activities have you done in your business"

	BEFORE HRD		AFTER HRD		BEFORE &AFTER		N/A ¹²	
	Freq.	%	Freq.	%	Freq.	%	Freq.	%
Established Books of Accounts	70	40.0	92	52.6	10	5.7	30	14.8
Prepared Business Plan	29	16.3	141	79.2	5	3.8	27	13.3
Developed a Market Strategy	22	14.3	121	78.6	8	5.2	51	25.2
Prepared Tender	20	29.0	42	60.9	4	5.8	136	67.3
Introduce quality control Techniques	24	19.7	94	77.0	1	0.8	83	41.0
Introduce Improvements to Production Management	12	9.8	107	87.0	1	0.8	82	40.5
Improved Record keeping and Accounting	28	16.4	137	80.1	3	1.8	34	16.8

TABLE V: INPUT OF HRD TRAINING WORKSHOP INTO BUSINESS

12

N /A = Not Applicable and missing cases, percentages for these are not valid.

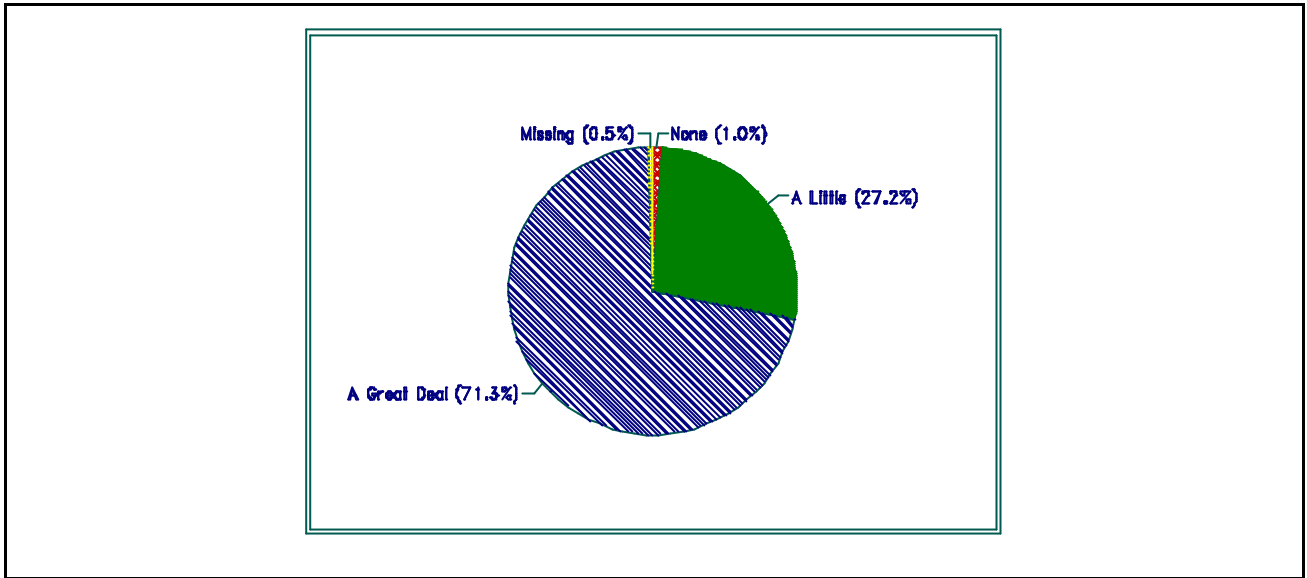


TABLE VI: INDICATION OF THE DEGREE OF IMPROVED PERFORMANCE.

Question 10: "How much of what you learned in the HRD workshop(s) have you been able to put into practice in your business".

RANK	FREQUENCY	PERCENTAGE
None	2	1.0
A Little	55	27.2
A Great Deal	144	71.3
Missing	1	0.5
	202	100

Of the respondents who indicated that they had been able to put into practice a great deal of what they learned in the HRD workshop(s), the most often cited changes are shown in the Table VII below. As can be seen from the table, most respondents cited that their understanding of business improved after the training and that their business expanded.

Table VII: Changes Most Often Cited

Table VIII on the next page shows factors most often cited by respondents who had applied little or nothing of what they learned in the HRD workshop(s). As can be seen from Table VIII, limited financial and other resources was identified as a major constraint against the ability to apply the training. There were people who felt that the training was too basic, however, investigations revealed that such respondents had very low academic background, none of them had completed Grade 9. There is, therefore, possibility that they did not understand the question. It should be noted that none of the respondents indicated that the training was not applicable to their needs. This is contrary to the view that the training was too basic and would support our opinion on whether the respondents who said that the course was too basic understood the question.

<u>Change cited</u>	<u>No. of Citations</u>
* Improved understanding of business	34
* Business Plan (helped obtain loan)	20
* Business Plan (facilitated effective communication)	18
* Business improved/expanded	16
* Able to control expenses	15
* Target market identified	13
* Able to pay self	9

It has been very difficult to obtain any financial assistance up to now.

(former HRD trainee)

Table VIII: Limiting Factors Most Often

Cited

Other constraints identified included; (1) too many other demands on the time of the former trainees; (2) resistance of family members to change. It is expected that these SMEs being largely family business, decision making process would be greatly influenced by family members. Cross-tabulations indicated that there was no relationship between being male or female and ability to apply what they learned in the HRD workshops(s).

<u>Factors Cited</u>	<u>No. of Citations</u>
* Limited funds, equipt. materials/staff	54
* Too many demands on time	29
* Training too basic, advanced training needed	19
* Expenses too high	17
* Resistance of Family members to change	12

TABLE IX : OTHER BENEFITS OF HRD TRAINING

Question 22 : "What were the byproducts or other benefits of your training."

OTHER BENEFITS OF HRD TRAINING

The HRD training offered the trainees other benefits, of which the most cited were;

- * Increased awareness of the importance of good management skills;

<u>Benefit</u>	<u>No of Citation</u>
* Increased awareness of the importance of good management	177
* Increased confidence	163
* Better separation of business and family matters	159
* Increased motivation	143
* Improved presentation skills	138
* New contacts (sources of materials referrals, clients)	136
* Information about business Associations	131
* Increased understanding of the	

- * Increased confidence;
- * Better separation of business and family matters;
- * Increased motivation; and
- * Improved presentation skills.

TABLE X : SINGLE GREATEST BENEFIT

Question 23: "What is the single greatest benefit you gained from the HRD training."

Although fourteen (14) respondents indicated that there were negative results of the HRD training, the description of such negative results indicated that the respondents might not have understood the question. For example they cited workshops, they alleged lack of information about forthcoming seminars, lack of practice and internal administrative and financial problems. We don't see how the foregoing could be said to be negative impact arising from the HRD training.

<u>Single Greatest Benefit</u>	<u>citations</u>
* Awareness of good Management skills	46
* Increased self confidence	42
* Business Planning Skills	26
* Improved Understanding of cash flow management	22

Ninety-five (95) percent of the respondents indicated that they would recommend HRD training workshops to others. This being an overall indicator of the level of the trainees' satisfaction, we would, therefore, conclude that almost all the trainees were satisfied with the HRD training workshops.

THE INFLUENCE OF GENDER ON THE IMPACT OF HRD TRAINING

The variable gender was cross-tabulated with the following variables:

- * Ability to prepare business plan;
- * Introduced improvements to Production Management,
- * Application of the acquired skills;
- * Applied for New Credit;
- * Change in Amount of credit; and
- * Revenue increase after HRD training, etc.

In all the cross-tabulations there was no significant relationship. therefore, the influence of gender on the impact

of HRD training is negligible. This result is supported by our findings from the two thematic focus group interviews involving Lusaka and Copperbelt based women entrepreneurs.

B: IMPACT OF HRD TRAINING ON THE SMEs (INSTITUTIONAL LEVEL)

Improved Performance of Firm:

As per theory, the trained individual is the agent for change, however, an institution must coordinate, energize, and diffuse change in order for impact to occur beyond the trained individual. In the case of the USAID/Zambia HRD Project the link between the individual and the institution is strong since the trainee is most often the owner/operator of a small business firm. Thus, the individual trainee has considerable control over the firms' ability to affect change, if the capacity and performance of the trainee improves, the capacity and performance of the firm is likely to improve. Having ascertained that the capacity and performance of the trainees had improved after the HRD training, we attempted to measure the impact on the business firms. Table XI below shows indications that change had occurred in the firms.

TABLE XI: IMPROVED PERFORMANCE OF FIRMS

Question 13: "Which of the following activities has your business done since your training."

ACTIVITY	YES		NO		NOT APPLICABLE	
	Freq.	%	Freq.	%	Freq.	%
* Applied for new Credit	67	33.3	130	64.7	5	2.4
* Approached new markets	144	71.6	53	26.4	5	2.4
* Improved the quality or quantity of tenders	58	28.9	139	69.2	5	2.4
*Improved the quality of products/services	141	70.1	56	27.9	5	2.4
* Increased Production	86	42.6	112	55.4	4	2.0
* Improved financial Management	141	69.8	57	28.2	4	2.0

The best performance was reported in respect of approaching new markets, seventy-two (72) percent of respondents reported that they approached new markets after HRD training (Table XI above). The second good performance was in respect of improved quality of products/services, seventy (70) percent reported that they improved products/services after the HRD training. The third good performance was in respect of improvement in financial

management, better than sixty-nine (69) percent of respondents reported improvements as a result of HRD training.

Also of significance was the increased production after HRD training reported by forty-three (43) percent of respondents.

A review of the activities (see Table XI) shows that only thirty-three (33) percent of the respondents reported having applied for new credit. This low figure could be the result of tight credit policy and high cost of funds.¹³

We were impressed by the standards of the proposals the participants presented to us. They were rich of information every banker would want to know before arriving at a good lending decision. From our experience we are able to say that such high standard of presentation is largely lacking in the small business sector. This situation is no doubt partly responsible for the neglect of this sector by the lending institutions.

(Participating banker)

The question of whether HRD training was critical to the changes observed at the institution level, received an overwhelming positive response, eighty-three (83) percent of the respondents reported that they would not have done any of the activities without the HRD training (see Table XII below).

This as an indicator of the likelihood that the change would not have occurred without the HRD training workshop(s), suggests the criticality of training for the observed changes.

Table XII: CRITICALITY OF HRD TRAINING

Question 14: "Do you think you would have done any of these activities without the HRD training."

RESPONSE	Frequency	Percentage
YES	19	9.4
NO	168	83.2
DO NOT KNOW	15	7.4
	202	100.0

TABLE XIII: POSSIBILITY OF BUSINESS SKILLS IMPROVING WITHOUT HRD TRAINING WORKSHOPS.

¹³ During the period under review lending rates averaged between 40-80 percent per annum. Which might have discouraged most from applying for new credit. It was also widely cited that the attitudes and policies of banks discourage SMEs.

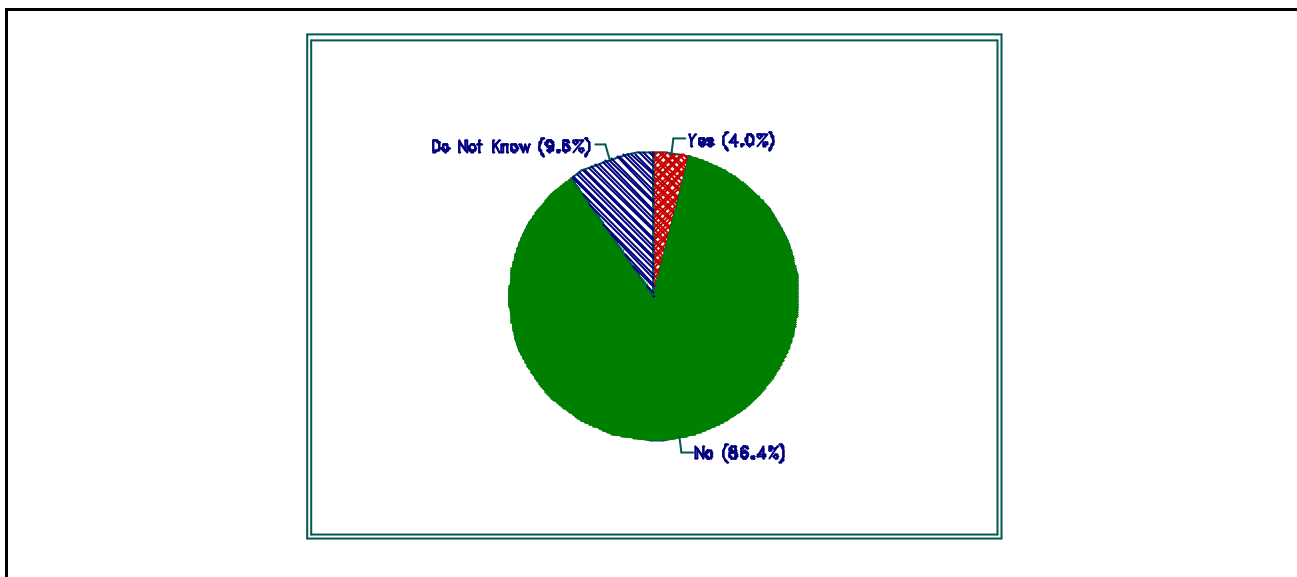


TABLE XIV: ATTRIBUTION

Question 16: "To what extent do you think these changes are direct results of the HRD training"

	Frequency	Percentage
NONE	2	1.0
A LITTLE	22	10.9
A GREAT DEAL	171	85.1
MISSING	7	3.4

As can be seen from Table XIV above, most of the respondents, eighty-five (85) percent thought that the observed changes were a direct results of the HRD training. These results suggest a link between impact and the intervention. We would therefore, other things being equal, conclude that the observed changes were direct results of the HRD training.

LONG TERM IMPACT ON THE FIRMS

The long-term impact on firms was measured by the increase in gross revenues of the businesses since the HRD training, seventy-five (75) percent of the respondents indicated that gross revenues of their businesses increased after HRD training (see Table XV on the next page).

The most interesting and important aspect of the workshop was the introduction of Networking amongst the SMEs. Since the idea was introduced to us in Entebbe, I have found it easier to access, information and conclude very good business deals by using the network I have established within the country and the region.

(Former HRD Trainee)

Revenue increases were quite remarkable: over 30% of the respondents reported revenue increases of over 50 percent. Therefore, it can be concluded that the training has had a long-term impact on the firms and most likely on the sector.

The increased revenue was largely utilized on business expenditure (see Table XVIII). For example, only 23% of the respondents reported having used increased revenue for personal expenses. The bulk of these revenues were used for:

- * Raw materials, supplies 63.9% of respondents;
- * New products/services 44.3% of respondents;
- * Equipments, buildings and land procurement 37.3% of respondents; and
- * Debt service 36.4% of respondents.

The above suggests increased investment, therefore, the foregoing confirms our earlier conclusion on the positive long-term impact of the HRD training on the firms.

TABLE XV: LONG TERM IMPACT ON THE FIRMS

Question 19: "Have the gross revenues of your business increased since the HRD training."

	Frequency	Percentage
YES	151	74.8
NO	37	18.2
DO NOT KNOW	6	3.0
MISSING ¹⁴	8	4.0

TABLE XVI: PERCENTAGE PERCEIVED REVENUE INCREASE

¹⁴ Eight respondents did not answer the question.

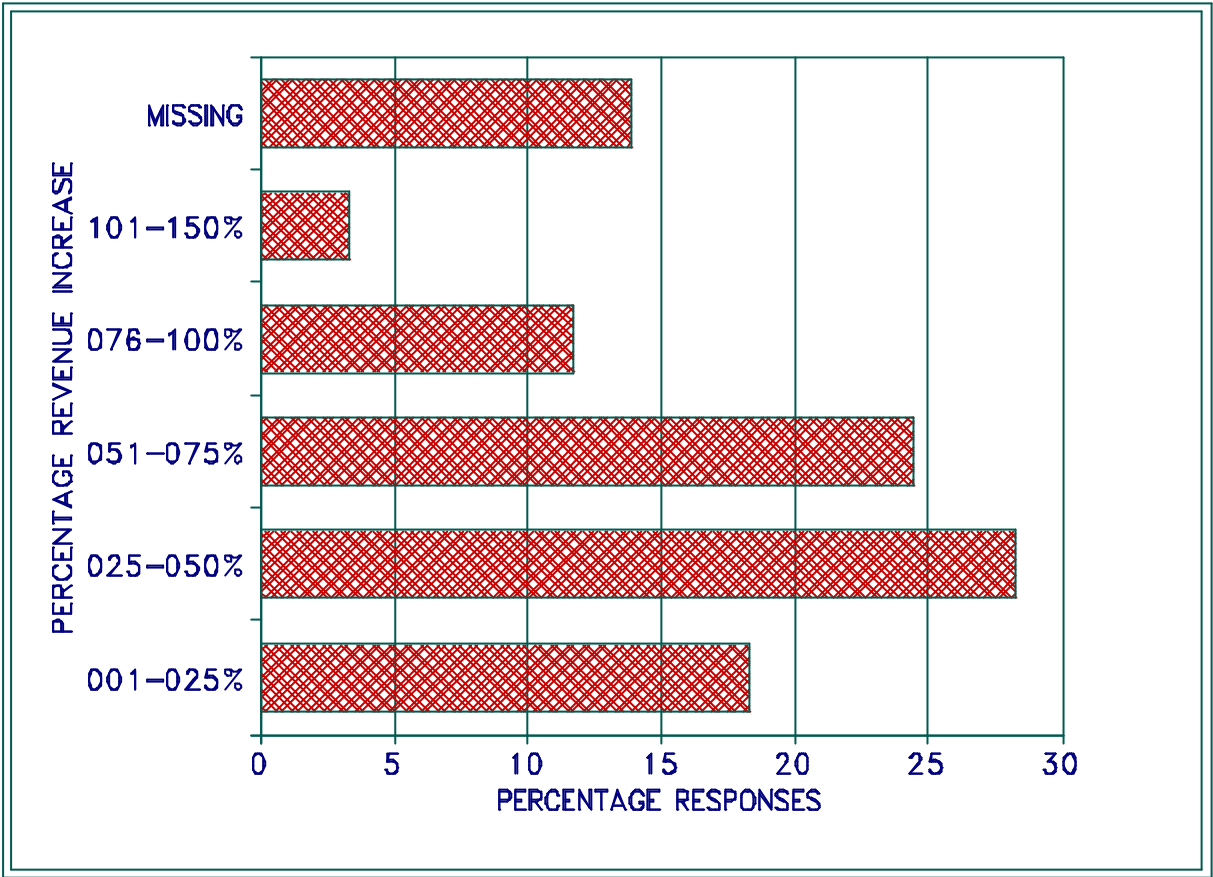
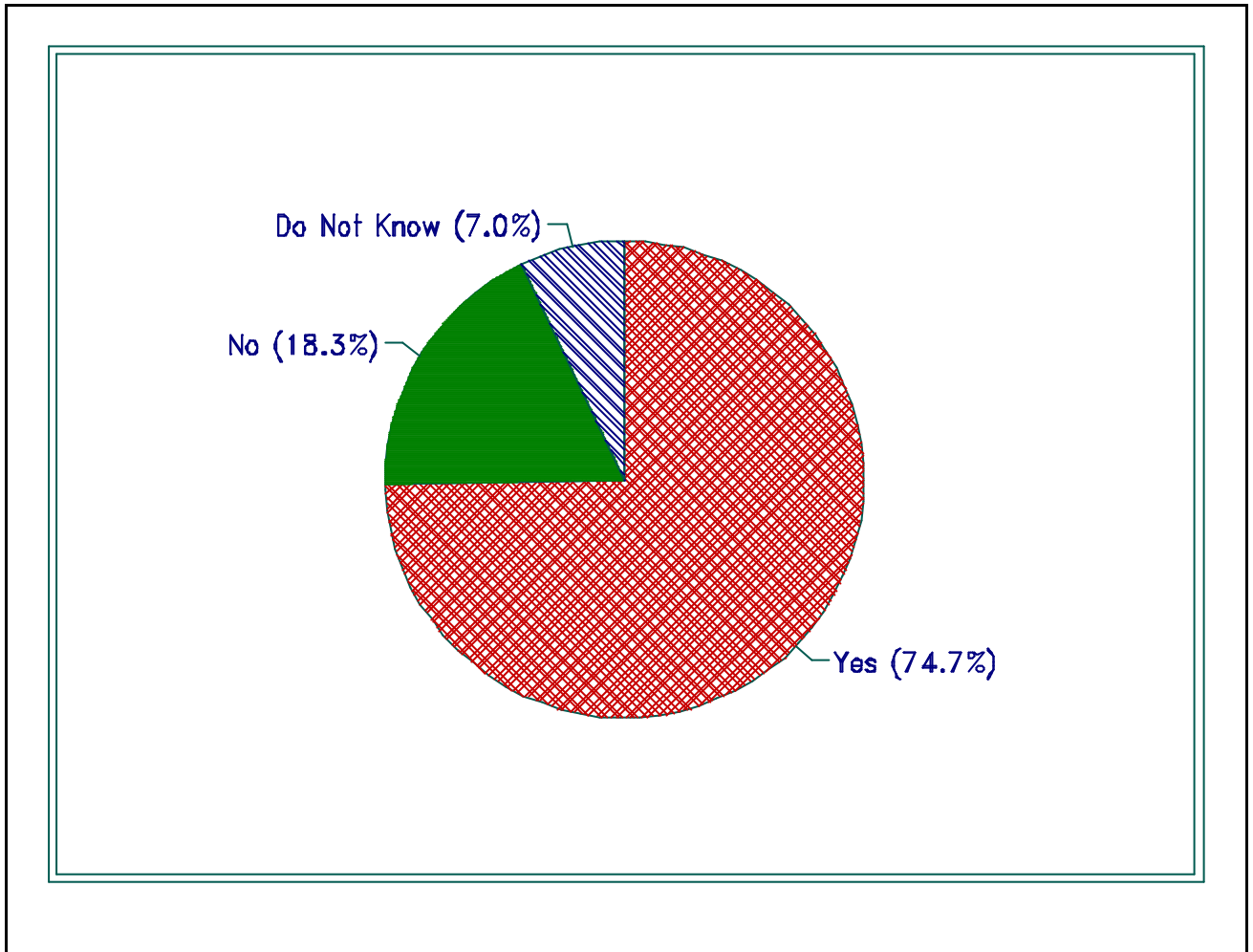


TABLE XVII: RESPONDENTS REPORTING REVENUE INCREASE
AFTER HRD TRAINING WORKSHOP¹⁵



Respondents who did not answer the question are included in the category of "DO NOT KNOW".

TABLE XVIII : Utilisation of Increased Revenue.

Question 21 : "What have you done with the increased revenue."

	YES		NO		NOT APPLICABLE	
	Freq	%	Freq	%	Freq	%
* Business Bank Account	80	43.2	93	50.3	29	14.3
* Loan Service	67	36.4	105	57.1	30	14.8
* Business Advice	35	19.0	137	74.5	30	14.8
* Training (Self/Employees)	43	23.4	129	70.1	30	14.8
* Additional Employees	41	22.4	130	71.0	31	15.3
* Raw materials/supplies	117	63.9	54	29.5	31	15.3
* Equipt, buildings Land	69	37.3	104	56.2	29	14.3
* New products/Services	82	44.3	91	49.2	29	14.3
* Started New Business	40	21.7	132	71.7	30	14.8
* Personal expenses	42	22.8	130	70.7	30	14.8

The further evidence of the impact of HRD training on firms is shown in Table XIX on the next page, out of five (5) activities, four (4) reported significant changes, indicating the impact on the firms.

Indeed, your workshops could not have come at a better time than now when there is great enthusiasm among many people about going into private business.

(Participating banker)

Table XIX: IMPACT OF HRD TRAINING ON FIRMS

Question 15: "Since your training, has your business changed in the following ways."

CHANGE	Same as Before		Increased		Decreased		Not Applicable	
	Freq.	%	Freq.	%	Freq.	%	Freq.	%
* Amount of credit	23	17.2	34	25.4	41	30.6	104	51.4
* Number of clients	21	11.6	147	81.2	3	1.7	31	15.3
* Number of contracts	22	14.6	94	46.5	1	0.7	85	42.0
* Amount of sales	29	15.5	141	75.4	3	1.6	29	14.3
* Quality of Decision Making	15	7.8	162	84	2	1.0	23	11.3

Most of the respondents, (eighty-seven percent) said that the above changes would not have occurred without HRD training (Table XX below).

TABLE XX : CRITICALITY

Question 17: "Do you think these changes would have occurred if you had not received the HRD training."

	Frequency	Percentage
YES	8	4.0
NO	174	86.6
DO NOT KNOW	13	6.5
MISSING	7	3.4

EXOGENOUS FACTORS INFLUENCING IMPACT OF HRD TRAINING

The impact of training is influenced by many other factors including exogenous factors. We therefore, examined the extent of the influences of exogenous factors on the HRD Project

SINGLE GREATEST BENEFIT

CONFIDENCE: with financial support from lending institutions coupled with the excellent training from HRD Project I'm positive that all the businesses left by my late husband are going to thrive and grow.

(former HRD trainee)

impact. The findings suggest that most of the respondents (Eighty percent) were affected by the general economic conditions. The poor attitudes/policies of banks were identified as the second major exogenous factors limiting the impact of training by sixty-eight (68) percent of the respondents (see Table XXI below).

TABLE XXI : EXOGENOUS FACTORS INFLUENCING IMPACT OF HRD TRAINING

Question 18: "What factors do you think limit the impact of the training on your business."

EXOGENOUS FACTOR	YES		NO	
	Freq	%	Freq	%
* Economic Condition	159	79.5	40	20.0
* Cultural/Legal biases against women	39	19.7	158	79.8
* Government Policies	63	31.8	134	67.7
* Attitudes/Policies of Banks	136	68.3	62	31.2
* Strength of Competitors	68	34.2	130	65.3
* Availability of equipment and raw materials	99	50.3	97	49.2
* Skilled labour	46	23.1	152	76.4

Non availability of equipment and raw materials was cited by fifty percent of the respondents as a factor limiting the impact of the HRD training. Of the respondents (Sixty-eight percent) reported that the current government policies did not limit the impact of the training on their businesses. As can be seen from Table XXI above only thirty-four percent of the respondents thought that the strength of competitors constrained the impact of the training on their businesses. Most of the respondents, (80 percent) felt that cultural/legal biases against women did not limit the impact of training. This was confirmed by cross-tabulations, focus group interviews and case studies.

INFLUENCE OF EXTERNAL FACTORS

Better than half (53.7%) of the respondents indicated that external factors influenced the revenues a great deal, this result could mean that the observed gross revenue increases were partly due to the HRD training, approximately 50 percent (see Table XXII below).

TABLE XX : INFLUENCE OF EXTERNAL FACTORS

Question 20 : "To what extent did outside economic conditions (such as inflation) affect your revenues."

	Frequency	Percentage
NONE	10	5.0
A LITTLE	70	34.8
A GREAT DEAL	108	53.7
MISSING	13	6.5
NOT APPLICABLE	1	0.4

IMPACT OF HRD TRAINING AT SECTOR LEVEL

We could not conduct an in-depth, statistically-based assessment of the impact of training at the sectoral level because that is beyond the scope of this assignment. However, we did estimate the impact through proxy measures as follows:

- (1) **Membership of Business Associations:** Of the respondents, fifty-three (53) percent were active members of associations, of which eighty (80) percent were members of at least one association, eleven (11.8) percent were members of two associations and three (3) percent were members of three associations. This measures changes in activity level among trainees, which is a secondary objective of the basic workshop and is also a proxy indicator of impact on sector. We would therefore, on the basis of the foregoing conclude that there is evidence to suggest that the training has had an impact at the sector level.
- (2) **Employees:** Of the respondents, forty (40) percent had employees between one and five. While fifty-four (54) percent had six (6) or more employees. This is an indicator of firm's growth and job creation in the sector and consequently the impact on the sector.
- (3) **Increased Revenues:** As reported elsewhere in this report, most respondents reported increased revenues after HRD training. Aggregation of increased revenues serves as a proxy indicator of impact at the sectoral level.
- (4) **Increased Investments:** As reported in this report there is evidence of increased investments arising from increased revenues after HRD training, the aggregation of such changes on firms is a proxy indicator of sectoral impact.

IMPACT OF HRD TRAINING AT THE NATIONAL LEVEL AND BEYOND

Just like at sectoral level, detailed study of the impact at the national level is beyond the scope of this study. However, the theory described in **SECTION I**, suggests that impact at sectoral level should be felt at national level, given appropriate macroeconomic policies. There is a time lag of at least one year, it is hoped that the impact which has been identified at sectoral level will eventually be felt at national level and

beyond.

CASE STUDIES AND FOCUS GROUP INTERVIEWS

- * Evidence from Case Studies: The three Case Studies have continued to show evidence of improved capacity and performance of former trainees and subsequent improved capacity and performance of the firms. In one case a failing business improved drastically after the HRD training. The results of the case studies supports the evidence from mailed questionnaire.
- * Evidence from Focus Group Interviews: The three thematic focus group interviews indicated that the trainees acquired skills and were applying them in their businesses, several specific examples of achievements were cited. Also there was evidence to suggest that the impact of the HRD training was positive. These results render support to the evidence from the mailed questionnaire and case studies.

BANK PARTICIPATION IN HRD TRAINING COURSES

Generally Commercial banks in Zambia have not been very kin in providing credit to SMEs. Several reasons are cited these include:

- * Lack of suitable collateral;
- * Applications not supported by bankable business plan; and
- * Lack of business management skills by most SMEs promoters.

The HRD Project staff have successfully attempted to sensitise Commercial banks to the credit needs and viability of SMEs through the utilization of banks in assessing the final business plans prepared by the participants in the Business Planning and Basic Finance courses. A total of eleven (11) banks have participated in this business Planning activity, which has been repeated twelve (12) times, covering all nine provinces of Zambia. This arrangements has facilitated direct face to face dialogue between participants and bankers. These sessions have proved to be very practical with a high impact

We therefore consider the Bank's involvement in such training programmes as beneficial not only to business persons involved in the programme but also to the Bank. We are in business because of these same business persons, hence the need for us to know about their business viability. By participating in such programmes we can help them strengthen their business undertakings. This would help us have reliable customers with strong financial base.

(Participating banker)

value as regards the development of subsequent relationships between the participants and the banking community.

CASE STUDIES
AND
FOCUS GROUP INTERVIEWS

SECTION III

CASE STUDIES

INTRODUCTION

The purpose of these case studies is to obtain in-depth information on a few trainees who have been particularly successful or unsuccessful. Three former trainees were chosen using the following criteria:-

- i) Minimum three (3) months post-training period;
- ii) In recognition of the fact that 53% of former trainees are females it was decided that out of the three candidates for the case studies, two must be females;
- iii) Due to differences in the business environment among Urban, Line-of-rail rural towns and rural towns it was decided that one candidate be chosen from each environment. It was further decided that candidates be chosen from the following areas: Lusaka Urban, Choma Town (to represent Line-of-rail town) and Kaoma town (to represent off Line-of-rail rural environment);
- iv) It was decided that the three candidates should be from different lines of business and sectors so as to have a fair view of the impact of the training on various lines of business and sectors; and
- v) The candidates were chosen at random from stratified sampling frames.

The studies aim at tracking the progress to better understand how capacity building, application, performance improvements and business growth are related to HRD training. The studies relied on self-assessment as well as perceptions of key informants mainly staff, clients and family. In all the three cases it was not possible to obtain information from their bankers because the Zambian banking Law prohibits bankers to divulge information about their clients to third parties. In addition, business documents were consulted were available.

In developing the case studies, we were originally expected to trace the trainees through a series of at least three interviews each, and report how these trainees were particularly successful or unsuccessful in applying their training and increasing their

business opportunities, highlighting the links between training and change at various points in time. In this Final Report, we present results of the completed case studies based on two periodical interviews conducted during Phase I and II of this study.

Due to the delay in the commissioning of this Impact Monitoring Plan, it is not possible to conduct a third interview before September 15th, 1995.

LOCATION

The difference in the business environment among Urban, line-of-rail rural towns and rural towns, appears to have had no effect on the impact of HRD training. The performance of Malala Wholesalers Ltd- a case study representing rural town environment was just as good as Carol Exclusive Boutique Ltd (a case study representing an Urban environment) and C and Z Tractor company (representing the rural line-of- rail town). In the absence of evidence to the contrary. We would conclude that the location of the enterprises does not adversely affect the impact of the HRD training workshops.

LINES OF BUSINESS/SECTORS

Difference in lines of business and sectors, appear to have had no impact on the HRD training Programme. The three Case studies had identical post-training performance inspite of the differences in lines of business and sectors.

**MALALA WHOLESALERS LIMITED
CASE STUDY**

Malala Wholesalers is a Limited liability private Company incorporated at Lusaka in the Republic of Zambia in 1985 under the companies Act Cap 686 of the Laws of Zambia. The authorised share capital is K10,000¹⁶. The shares are allocated/held by the founding shareholders as follows:

Mrs Sibeso Simasiku	50% ¹⁷
Mr Godfrey Simasiku	50% ¹⁸

BANKERS

Malala wholesalers operate current accounts with Mongu Branches of Standard Chartered Bank (Z) Limited and the Zambia National Commercial Bank.

AUDITORS/ACCOUNTANT

Messrs Libala and Company of Mongu have been retained as Auditors of the Malala Wholesalers.

ATTORNEY

Mundia Kakoma and Company of Lusaka are in charge of the legal aspects of the Company's operations.

SOURCES OF INITIAL CAPITAL

The initial funding of the Company was through a loan capital as follows:

Loan from Stanchart	K5,000
Trade Credit	<u>K7,000</u>

Mercantile Printers Limited extended Trade Credit in respect of stationery. The Company started operations in August 1985. Presently, the Company has four operating

This level of authorised share capital although adequate at the time of incorporation is no longer appropriate. Management has been advised to apply for an increase in authorised share capital.

¹⁷ Mrs Sibeso Simasiku has attended three HRD training workshops.

¹⁸ Godfrey is the spouse of Sibeso.

divisions namely:

- * Wholesale/Retail shop in Mongu;
- * TOTAL filling station and Mini Mart in Kaoma; and
- * Mixed Farm in Kaoma.

MANAGING DIRECTOR'S BACKGROUND

Mrs Simasiku was born on 8th December, 1944 in Mongu. She went to school at Kambule which is presently known as Kanyunyu where she did her Sub A. From there she went to do her upper primary up to standard 6 at Lukulu Mission popularly known as Santa Maria Mission. She continued at the same Mission School in the college section and trained as a teacher in Home Economics. As a qualified teacher, Mrs Simasiku taught in various schools in Western and Southern province, particularly in Livingstone. Thereafter, she was taken on by Zambia Broadcasting Services and produced programmes in Home Economics at the Lozi section. She was later transferred to Zambia National Tourist Bureau as a tour guide. In early 1973 Mrs Simasiku was posted to London Office of the Bureau to work as a tourist officer up to 1976 then she came back to Zambia and worked as an assistant tourist officer at the Livingstone office.

While in London Mrs Simasiku did Public Relations studies, this made it possible for her to switch employment to Zambia Railways in 1977 and worked there as a Public Relations Officer. Because of marriage, Mrs Simasiku was in 1979 transferred to Ndola and worked in the same capacity till 1984 when she decided to go into stationery business.

PRODUCTS AND SERVICES

1. MALALA WHOLESALE/RETAIL SHOP: MONGU

The Malala Wholesale/Retail shop is a general dealer outlet selling a wide range of consumer household products which include millie meal, wheat flour, detergents, clothes and a variety of groceries. The Wholesale/retail shop is the oldest operating division, it came into operation at the inception of the Company. Initially, the main product line was stationery. The change from stationery shop to a general wholesale/retail shop occurred towards the end of 1991. The change was necessitated by poor business.

2.0 TOTAL FILING STATION: KAOMA

The TOTAL filing station at Kaoma is a modern service station serving a rural town community plus a substantial transit customers to and from Lusaka and Mongu. This service station provides a wide range of Petroleum products which include gas oil, kerosene, petrol and lubricants. The Licence to run the

TOTAL FILING STATION was acquired on April 16th, 1994 from TOTAL (Z) Limited a private sector international oil marketing institution. This service station is worth K17 Million:

The acquisition was financed by equity of K6 million and trade credit of K11 million from TOTAL (Z) Limited. The trade credit has a small fixed interest charge both interest and principal are repayable over a period of twenty (20) months. Mrs Simasiku buys fuel at higher price than she ought to as a way of recovering the loan, she expects to finish repaying after 17 months due to increased orders.

The extension of service hours at the filling station coupled with good customer relations has seen Mrs Simasiku win more customers who were lost by the former operator. Mrs Simasiku the Managing Director of Malala Wholesalers Limited, believes that they won the dealership mainly because of the HRD training workshops and in particular the Business Planning and Basic Finance for Women workshop she attended.

2.1 THE MINI MART: KAOMA

The Mini Mart was opened in May 1994 as a side business to the service station. This Mini Mart stocks a variety of household merchandise. ranging from detergents to processed foods. Recently, a Fast Food line of business was introduced. This line of business is the first ever in Kaoma to serve warm take away food and since the filling station is near two main bus stops, it caters for a good deal of people, travellers and non travellers.

3. MIXED FARM: KAOMA

The Malala Wholesalers Limited acquired a mixed farm in Kaoma District in 1992. During the 1992/93 agricultural season, just under 8 hectares of maize was planted. However, due to lack of knowledge, the planting took place long after the latest planting date for maize. As a result, the crop failed. During the 1993/94 season, the mono-cropping system continued, about 10 hectares of maize was planted.

Unfortunately, the rains stopped too early, as a result the yield was very low. These loses discouraged the directors of Malala Wholesalers Limited and they begun contemplating closing down the farming business.

In June, 1994 one of the directors, Mrs Simasiku attended a workshop on "agricultural Business Planning and strategy." According to Mrs Simasiku, the workshop helped her to regain interest in farming. She learnt of the existence of sources of technical information and or assistance. Soon after the

workshop, she visited Mount Makulu Research Station which is located a few Kilometers south of Lusaka, to seek information on crops suitable for Kaoma agro-ecological zone.

Mount Makulu advised and facilitated her contact with the Regume Project who commissioned her to grow the following:

- * Cowpies 8 hectares
- * Groundnut 3 hectares
- * Pigeon pies 2 hectares

In addition she planted 12 hectares of maize. crop inputs where financed by a short term loan of K3.5 million from ZCF Finance Services and equity contribution of K2.5 million. The short term loan, principal and interest is due for repayment after crop harvesting this year.

As a direct result of the technical assistance she received, all the crop programmes where implemented on time and very good yields are expected as follows:

- * Cowpeas expected yield 10,000 Kilograms
- * Groundnut expected yield 6 bags 90KG shelled groundnut
- * Maize expected yield 520 bags 90KGs
- * Sugarbeans expected yield 8 bags 90KGs
- * Pigeonpeas expected yield 55 bags 97KGs

The revenue expected from farming is as follows:

<u>Cowpeas</u>		
10,000 Kg x K450/Kg		K4,500,000
<u>Shelled Groundnuts</u>		
6 bags x 90Kg x K750/Kg		K 405,000
<u>Beans</u>		
7 Bags x K60,000/bag		K 420,000
<u>Pigeon Peas</u>		
55 bags x 97KG x K450/Kg		K2,400,750
<u>Maize</u>		
200 bags x K10,000/bag		K2,000,000

OUT GROWERS SCHEME

Mrs Simasiku has gone on with preparations for starting an out growers scheme. This will involve surrounding villagers near the farm where each participant will grow one hectare of cowpeas. Ten hectares are planned, Malala Wholesalers will provide chemicals, seeds, equipment and fertilizers. The villagers will pay back to Mrs Simasiku in kind and she will also buy the rest of the produce.

THE MANAGEMENT

The Management of Malala Wholesalers is as follows:

- * Mrs Sibeso Simasiku - Director Operations(Managing Director)
- * Mr Godfrey Simasiku - Director, Finance
- * Mr G. Mufaya - Manager, Mongu shop
- * Mr G. Nyambe - Manager, Kaoma service station and Mini Mart
- * Mr S. Mulumo - Farm Manager, Kaoma mixed farm

EMPLOYMENT GENERATION

The Malala Wholesalers Limited has a permanent staff establishment of twenty-eight (28) including the two directors. During the planting and harvesting period the farm employs on average fifty (50) temporal workers. Of the permanent staff establishment, seven (7) are females.

Staff Benefits

Employees of the Malala Wholesalers Limited enjoy a variety of staff benefits which include:

- * Housing allowance
- * Performance bonus
- * Company makes regular contributions to the ZNPF and Workmen's compensation Fund

Other Achievements Related to HRD Training

Recently, Mrs Simasiku was elected to the Board of Zambia Federation of Associations of Women in Business and was chosen to represent the association at the Beijing Women Conference.

Field Day

As a result of a very successful crop, the Farm was chosen by the Ministry of Agriculture as a model Farm and venue for a District field day. The field day was well attended by farmers and officials from the Ministry of Agriculture. This was the first time farmers field day was held in the Kaoma district and the first time that a farm in Kaoma District had grown more than five crops in a season.

THE IMPACT OF HRD TRAINING WORKSHOPS

As mentioned elsewhere Mrs Simasiku has attended three (3) HRD training workshops. Prior to her attending the workshops Malala Wholesalers Limited was experiencing operational problems in the two divisions that existed then. The Wholesale/retail shop had changed its main line of business from stationery to general household merchandise. The farm was experiencing liquidity problems arising from poor crop yields which was partly a consequence of adverse weather and partly due to poor management. At the time, the directors were planning to abandon the farming business.

After the HRD training Mrs Simasiku, utilising the newly acquired skills was able to successfully introduce a new strategy for the farming operations. The new strategy included a shift from mono-cropping to mixed cropping and increased reliance on extension services¹⁹. In addition, contract farming was entered into for the first time. The result has been an immediate success, as noted elsewhere.

Mrs Simasiku believes, that her attendance of the Business Planning and Basic Finance workshop contributed significantly to her successful bid for petroleum products dealership at Kaoma. Through this service station she has expanded her business lines to include, a Fast Food outlet and mini mart. The improved management skills are quite evident, for instance, Malala Wholesalers Limited has now put in place improved record keeping. Our investigations using other informants confirmed that Malala Wholesalers Limited performance improved significantly after Mrs Simasiku attended the HRD training workshops.

¹⁹ Mrs Simasiku confessed that before training she did not know the existence of technical assistance from institutions such as Mount Makulu Research Station.

C AND Z TRACTOR HIRE COMPANY

CASE STUDY

The C and Z Tractor Hire company is a limited liability private company incorporated at Lusaka in the Republic of Zambia on March 24th, 1988 under the companies Act Cap 686 of the Laws of Zambia. The authorised share capital is K10,000. The shares are allocated/held as follows:

Mr Lufeyo Zulu	50%
Mr Richard Chawalika (late)	50% ²⁰

BANKERS

C and Z Tractor Hire Company operates current account with Choma Branch of Zambia National Commercial Bank.

ATTORNEY

Dindi and company of Livingstone are in charge of the legal aspects of the company's operations.

SOURCES OF INITIAL CAPITAL

The initial funding of the Company was through equity contributions from the founding shareholders as follows:

Mr Lufeyo Zulu	K450
Mr Richard Chawalika	<u>K450</u>
TOTAL	<u>K900</u>

To raise the above amounts, the founding shareholders sold personal household properties.²¹

PROPRIETORS BACKGROUND

Mr Lufeyo Zulu was born in Lusaka, Zambia on 6th November 1953. He went to Chunga Primary School from 1962 to 1968. He proceeded to Matero Secondary School up to 1973. In the same year, Mr Zulu joined UBZ to work as a Conductor and within 2 weeks he was

²⁰ Following the death of Mr Richard Chawalika his shares were sold to Mr Luke Kavota But formal transfer has not been concluded.

²¹ Mr Lufeyo Zulu sold a Television set, while Mr Richard Chawalika sold a Radio/Tape/Record Player.

promoted to the position of inspector. He left UBZ for Lusaka Trades to get basic training in mechanics and later went to Kabwe Trades to continue his mechanics studies.

Mr Lufeyo Zulu holds a National Craft Certificate in Agriculture Mechanics, Certificate in Agriculture Service Engineering and Diploma in sales and Marketing.

And he has attended three (3) HRD training workshops, namely:-

- * Business planning and Basic Finance;
- * Essential Accounts, Taxation and Business Law; and
- * Export Marketing strategies.

He has over nineteen (19) years of experience which includes four (4) years as a Locomotive Workshop Inspector for Zambia Tanzania Railway Authority (TAZARA), ten (10) years as a Service Engineer for AFE Limited and Five (5) years as Managing Director of C and Z Tractor Hire company. While at AFE, Mr Zulu began to contemplate going into business and later communicated his plans to the late Mr Richard Chawalika who was then workshop foreman with the Southern Province Co-operative Marketing Union (SPCMU). They both agreed to form a company to be called C and Z Tractor Hire Company.

SERVICES

C and Z Tractor Hire Company was set up to provide tractor hire and maintenance services to farmers in Choma District and Southern Province in general. When the company started operating in 1989, only tractor maintenance services were being offered. Tractor hire services, were introduced in the second year of operations. This followed the acquisition of a second hand tractor which was bought at an auction.

FIRBY INTERNATIONAL DEALERSHIP CONTRACT

In 1992, C and Z Tractor Hire Company signed a Dealership contract with Firby International.²² The arrangement involved reconditioning of tractors and selling the reconditioned tractors. Firby International supplied old tractors and spare parts. This contract helped C and Z to increase its turnover from K 885,417 in 1990 to K 31,669,043 in 1994. Unfortunately, in 1995, Firby International pulled out of the contract because of poor sales arising from reduced agricultural activities as a result of persistent drought.

The reconditioning of tractors has continued even after the termination of firby International Contract, currently, the company reconditions on average one (1) tractor per month.

FALLSWAY TIMBER CONTRACT

This year, C & Z Tractor Hire Company was approached by the owner of Fallsway Timber Company of Livingstone to recondition 5 Tractors. The work is on schedule and by the time of the latest interview, the company was working on a third tractor. At the rate of K 6 Million per reconditioned tractor, the contract will earn

C & Z Tractor Hire Company an amount of K30 Million. Mr Zulu attributes the signing of the contract to the reputation the Company has registered in Southern Province especially after improving his management skills as a result of the HRD training.

²² C and Z was introduced to Firby International by Mr Phiri of Africare whom Mr Zulu had met at an HRD workshop.

EMPLOYMENT GENERATION

The C and Z Tractor Hire Company has a permanent staff establishment of ten (10) employees as follows:-

<u>Designation</u>	<u>Number</u>
Managing Director	1
Secretary	1
Foreman	1
Senior Mechanics	2
Panel Beater	1
Spray Painter	1
Assistant Mechanics	1
Security Guards	2

Staff Benefits

Employees of the C and Z Tractor Hire Company enjoy a variety of Staff benefits which include:-

- * Housing allowance
- * Performance bonus
- * Zambia National Provident Fund and Workmen's Compensation Fund Social Security.

FUTURE PROSPECTS

C and Z Tractor Hire Company has plans to expand and go into manufacturing of mechanical Spares parts. To achieve this, the company is looking for international investors to co-finance and provide technology. Currently, two institutions namely World Association of Small Scale Entrepreneurs and the Investment Centre are assisting the Company to search for suitable partner diversification plans.

THE IMPACT OF HRD TRAINING WORKSHOPS

As mentioned elsewhere Mr Zulu has attended three (3) HRD training workshops. Prior to his attending the workshops C and Z Tractor Hire Company Limited was experiencing operational problems arising from lack of planning and poor management.

After the HRD training, Mr Zulu, utilising the newly acquired skills was able to successfully introduce production planning. and was able to negotiate a contract with Firby International.

The result has been a great success in terms of increased revenue, as noted elsewhere.

Mr Zulu believes, that his attendance of the Business Planning and Basic Finance workshop contributed significantly to his successful bid for tractor reconditioning contract. The improved management skills are quite evident, for instance, C and Z Limited has now put in place improved record keeping, including an inventory control system. Our investigations using other informants confirmed that C and Z Tractor Hire Company Limited performance improved significantly after Mr Zulu attended the HRD training workshops.

**CAROL EXCLUSIVE BOUTIQUE LIMITED
CASE STUDY**

Carol Exclusive Boutique is a Limited liability private Company registered in 1984 and incorporated at Lusaka in the Republic of Zambia in 1989, under the companies Act Cap 686 of the Laws of Zambia. The authorised share capital is K10,000. The shares are allocated/held by the founding shareholders as follows:

Ms Carolyne Joy Mwambazi		70
Mr Watson Mwambazi	30%	%

BANKERS

Carol Exclusive Boutique operates current accounts with the Meridian BIAO, Lusaka branch, and Finance Bank, Lusaka branch.

AUDITORS:

Since the Training workshop Ms Mwambazi has engaged Systems Management Services as financial advisors. She has not yet appointed auditors.

LAWYERS:

The Company does not yet have lawyers. But does seek Legal advice from various lawyers.

SOURCES OF INITIAL CAPITAL

The initial start up capital was K5,000 raised from the proprietors savings, a further investment of K500,000 was made in 1992, financed from internally generated funds. Recently, a loan capital of K5,000,000 was obtained. The company has an average annual working capital requirement of between K19,000,000 and K22,000,000 and an average annual turnover of K30,000,000 to K36,000,000. The company has been using internally generated funds for working capital.

PROPRIETOR'S BACKGROUND

Ms Carolyne Joy Mwambazi was born on 3rd February, 1953 in Dodoma in the Republic of Tanzania. She went to school in Tanzania up to the final stage of her O-levels. After getting married in 1973, she came to Zambia and continued with her education. Carolyne went to Evelyn Hone College of Applied Arts

and Commerce where she did her Secretarial training. Upon completion of her training she worked for ZESCO for 3 years as a secretary and later moved to Intercontinental Hotel in the same capacity for another 4 years.

In 1980, Carolynne resigned from Intercontinental Hotel and went to London School of Fashion to train as a Fashion designer for 2 years and graduated with an Advanced Diploma in Fashion and Designing after which she came back to Zambia and went into business in early 1983.

PRODUCTS AND SERVICES

Carol Exclusive Boutique is a Manufacturing enterprise specialising in designing and tailoring of exclusive outfits for men, women and children. Also makes wedding, christening and other specialised outfits. The enterprise also provide tailoring services where a customer comes with own material to have an outfit made at a cost of K10,000 to K150,000 depending on the complexity of the design. Complete outfits are also made using the company's own materials and the cost of these average from K10,000 to K500,000 per outfit.

The Company has not yet been able to promote its products on the Zambia National Broadcasting corporation Television which it feels is the right media Vis-as-Vis the market target. However, person to person advertising has helped a great deal, individuals are easily reached and more contracts have been established.

CAPITAL INVESTMENTS:

The company has capital Investment valued at K60,000,000 these include 18 Industrial Sewing Machines, two specialised Industrial Machines (overlocks) and Industrial irons. The Company has plans to acquire more machinery.

PRODUCTION:

The output of the finished products (dress, shirts, suits, trousers etc) per day is 8 items. This according to the entrepreneur is at 50% capacity Utilization this being attributed to semi-skilled labour force which is not able to operate certain machines with confidence for optimum production.

COST OF PRODUCTION:

The cost of production is not very high and the enterprise breaks even. The employees are semi-skilled and trained on the job therefore are not highly paid. Other running costs are minimal. The only heavy cost is rent. The Company has overcome

the problem of limited operational space through the acquisition of another production space at the new SIDO complex in Makeni situated a few kilometers south of Lusaka.

MANAGEMENT AND LABOUR:

The enterprise is owner managed and employs a labour force of 14 (1 man and 13 women) all semi-skilled and largely trained on the job. The labour turnover is high and affects efficiency of the enterprise.

SOCIAL CULTURAL

The enterprise employs more women than men the ration is 13 to 1. Housing is not given but built in within the salary. The workers have tea and lunch break. Social security is not included.

PROJECT'S ACHIEVEMENTS:

Before Training:

The entrepreneur managed to acquire machines from own savings and internally generated funds, was also able to expand from two machines to twenty machines over a four-year period.

Achievements After Training:

The entrepreneur now sees the need to expand and be more business like and is working towards this. Has also seen the need to keep records and books of accounts up to date. To conform to the new business approach the entrepreneur has engaged a part-time accountant to do the books and is in the process of writing a business plan and an investment proposal. As well as applying for an investment licence.

Future Prospects:

Ms Mwambazi would like to expand the business and operate professionally, the enterprise intends to get orders for the supply of protective clothing to interested institutions through its SIDO Complex outlet. Also wishes to train with HRD in a more advanced course so that she can improve her knowledge. With awareness enhanced by the training course in quality control, competition, good finance and enterprise management, the entrepreneur intends to excel in quality of services.

THE IMPACT OF HRD TRAINING WORKSHOPS

Carolyne believes that her attendance of the Business Planning and Basic Finance workshop contributed significantly to her recent success in securing a loan of K5 million. She also

attributes the improved record keeping and financial management to the HRD training.

Carol Exclusive Boutique has put in place improved record keeping, including an inventory control system. Has also introduced quality control system. Our investigations using other informants confirmed that Carol Exclusive Boutique performance has improved significantly since Carolyne attended the HRD training workshop.

FOCUS GROUP INTERVIEWS

INTRODUCTION

In accordance with the HRD Impact Monitoring Plan, we are required to conduct a total of four focus group interviews. Of which two were scheduled for the first phase of the study and the remaining two in the second phase of the study. As per plan two focus group interviews were conducted during the first phase of the study. As a result of the Production Management course not being offered, it was decided to revise the plan for the second phase. The revised plan was to conduct three focus group interviews on the following themes:

- * Business Planning and Basic Finance for Women entrepreneurs based in the Copperbelt;
- * Business Planning and Basic Finance for Women entrepreneurs based in Lusaka; and
- * Business Contracting for SMEs.

Jointly with the CAU Project staff and with the approval of the USAID Mission, we selected focus group participants. These focus group interviews were intended to generate qualitative and additional quantitative data to deepen and enhance information captured through the mailed questionnaires methodology. The following is a summary of the results:

1. FOCUS GROUP INTERVIEWS ON BUSINESS PLANNING AND BASIC FINANCE FOR LUSAKA BASED WOMEN ENTREPRENEURS

A total of fourteen former trainees were invited, of whom seven attend the interviews. The objective of the interviews was to determine the impact the training workshop has had on the trainees and their businesses. Major issues which came out of the focus group interviews are as follows:

- * Participants expressed delight about the HRD training programme. Some participants indicated that they were afterwards able to prepare business plans and properly manage cash flow. One participant managed to obtain a Loan of K2.5 million upon presenting her business plan to a lending institution.
- * Personal relationships among women entrepreneurs have

improved as women interacted freely. The course acted as a forum of sharing new ideas and problems facing participants.

- * Participants felt that more confidence has been induced in them and are now able to venture into new markets. One participant spoke highly of advertising, as some people learnt of her saloon after the advert she put in one of the daily papers. Prior to the HRD training she never thought advertising was important.
- * Resistance from spouses was identified as a deterrent to business progress. Some participants however, indicated receiving committed support from husbands and families. It was recommended that spouses of participants should be involved through various ways such as invitations to workshops, cocktail parties etc.
- * Some participants have not yet been able to fully apply the techniques learnt due to financial constraints. It is the view of participants that training periods be extended and there is need for continuous monitoring of donor supported programmes.
- * Participants felt that there is need for feasibility studies to be undertaken to identify appropriate beneficiaries in specific sectors. It was participant's view that there be a deliberate Government policy to influence lending policy of financial institutions to small scale sector such as by recommending trainees for loans and monitoring.
- * Value Added Tax was identified as a constraint against growth of SMEs because most SMEs do not qualify for VAT registration as they do not meet the minimum requirement of K30 million annual turnover. Because of the input tax claim provision most big companies are refusing to trade with unregistered SMEs.
- * The courses's emphasis on the importance of separating business concern from family and personal matters has instilled financial discipline. A number of participants have since engaged qualified accountants to handle accounts.
- * Some participants indicated that the course helped them improve relations with their respective workforce. One participant said she is motivating her workers by providing bonuses once production targets are met.

ANALYSIS

There is a general appreciation of the training programme among participants. The course provided confidence to participants and were able to share ideas freely enhancing the prosperity of the business. It was suggested that Government should assist women entrepreneurs obtain credit by recommending some to financiers and negotiating concession terms of repayment. It is evident that the trainees acquired and are applying the new business skills.

2. FOCUS GROUP INTERVIEWS ON EXPORT MARKETING STRATEGIES.

The six (6) focus group participants were chosen from former trainees who attended the training workshop on Export Marketing Strategies and are resident in Lusaka. The objective of the focus group interviews was to determine the impact the training workshop has had on the trainees and their businesses. Major issues which came out of the focus group interviews were as follows:

- * The course enhanced the participant's knowledge of the export business. Particularly the need to pay more attention to the quality of the product instead of the quantity because in the export business there are a lot of competitors inside and outside the Country.
- * Most participants believe that they acquired confidence from the course which enabled them to succeed in their businesses. The 4 p's was another aspect learnt by the participants (place, production, pricing and promotion) and the benefits of a good banking system. This equipped the participants and most felt they became more enlightened and improved the outlook towards export business.
- * Interaction with other participants, the knowledge acquired from formal and informal discussions also added to the wealth of knowledge acquired. The participants were able to learn about export support facilities existing in the Country and in the region. They learnt about how and where access finance for their business, where and how to exhibit their products. Some participants got orders and contracts and others were able to sub-contract to fellow participants.
- * Most of the products produced after the training Workshop attracted orders immediately. Most participants cited improved confidence. The mode of delivery of lectures was said to be good with a good blend of practice and theory and very participatory. The length of the course was also said to be good considering most enterprises are owner managed. The resource person interacted well with the participants inside and outside the class.
- * Participants felt that much more needs to be done to encourage exports by small scale entrepreneurs, the sector needs Government intervention, the existing incentives are not enough. There should be support systems in place and implementable policies to facilitate growth of small businesses. The existing legal framework, Government policies, and tax systems are not conducive.

- * The participants felt direct donor funding for the former trainees should be introduced. The HRD project should adopt the participants and provide them with the necessary information through a forum. The same forum can be used to exchange ideas, information, programmes and any other resources. The participants would like to see an Alumni Association formed and establishment of a Local, Regional and International network.

ANALYSIS

There is a general feeling for the continuation of the program with more linkages with existing public and private institutions. The benefits of the intra and inter participant interactions are also enormous with participants learning from each other as much as from the lectures. A need for post-course follow-up is expressed. An Alumni Association is highly recommended participants feel the need to learn from each other and to keep in touch on a regular basis. The course is highly recommended and has had a positive impact on the performance of the individuals and their businesses.

3. FOCUS GROUP INTERVIEWS ON BUSINESS PLANNING AND BASIC FINANCE FOR COPPERBELT BASED WOMEN ENTREPRENEURS.

A total of fifteen former trainees were invited, of whom eleven attend the interviews. The objective of the interviews was to determine the impact the training workshop has had on the trainees and their businesses. Major issues which came out of the focus group interviews are as follows:

- * The course enriched participants knowledge of business planning and they appreciated the importance of keeping good business records.
- * Most participants felt that the course helped them realise how crucial strategic positioning is. Most of the participants reported that vigorous Advertisement of products has resulted into increased turnover.
- * The course enhanced participants knowledge on mobilising resources and planning for the future.
- * Participants felt that as a matter of being gender sensitive more women should be empowered with business know-how as provided by the HRD training programme. One woman imparted the knowledge she acquired to 19 women who turned up for a training session she organised. Another mentioned of receiving a lot of praise from spouse with whom she is in partnership.
- * Participants recommended that Government should ensure effectiveness of such training by providing/and or facilitating access to soft loans to former trainees.
- * Value Added Tax was identified as a constraint against growth of SMEs because most SMEs do not qualify for registration as they do not meet the minimum requirement of K30 million annual turnover. Because of the input tax claim provision most big companies are refusing to trade with un registered SMEs.
- * The application of skills acquired in business planning enabled one participant to establish a new school, another participant attributed her financial achievements to the keeping of proper accounts. She has plans to build an additional classroom from internally generated funds.

ANALYSIS

There is a general feeling in favour of the continuation of the HRD training workshops and strengthened linkages with existing public and private training institutions. These linkages will ensure sustainability of the training activity after HRD Project.

The design of future training programmes should have provision for inclusion of topical subjects such as VAT as and when need arises. This will ensure continued relevance and effectiveness of the training workshops.

An Alumni Association is highly recommended by participants as they have felt the need to learn from each other and to keep in touch on a regular basis.

4. FOCUS GROUP INTERVIEWS ON BUSINESS PLANNING AND BASIC FINANCE.

The six (6) focus group participants were chosen from former trainees who attended the training workshop on Business Planning and Basic Finance and are resident in Chipata and Petauke. The objective of the focus group discussion was to determine the impact the training workshop has had on the trainees and their businesses. Major issues which came out of the focus group interviews were as follows:

- * The course enhanced the participant's knowledge of the Business Planning and Basic Finance. Particularly the importance of business plans and the need to pay more attention to financial management.
- * Most participants believe that they acquired confidence from the course which has enabled them to succeed in their businesses.
- * Interaction with other participants, the knowledge acquired from formal and informal discussions also added to the wealth of knowledge acquired.
- * Most of the products produced after the training Workshop attracted orders immediately, participants were able to cite increased sales, improved quality of goods, services and improved management decisions.

- * Participants felt that much more needs to be done to encourage the small scale entrepreneurs, the sector needs Government intervention, the existing incentives are not enough. There should be support systems in place and implementable policies to facilitate growth of small businesses. The existing legal framework, Government policies, and tax systems are not conducive.
- * The participants felt that direct donor funding for the former trainees should be introduced. The HRD project should adopt the participants and provide them with the necessary information through a forum. The same forum can be used to exchange ideas, information, programmes and any other resources. The participants would like to see an Alumni Association formed and the establishment of a Local, Regional and International network.

ANALYSIS

There is a general feeling for the continuation of the program with more linkages with existing public and private institutions. The benefits of the intra and inter participant interactions are also enormous with participants learning from each other as much as from the lectures. A need for post-course follow-up is expressed.

An Alumni Association is highly recommended participants feel the need to learn from each other and to keep in touch on a regular basis. The course is highly recommended and has had a positive impact on the performance of the individuals and their businesses.

5. FOCUS GROUP INTERVIEWS ON BUSINESS CONTRACTING FOR SMEs

A total of twelve former trainees were invited, of whom eight attend the interviews. The objective of the interviews was to determine the impact the training workshop has had on the trainees and their businesses. Major issues which came out of the focus group interviews are as follows:

- * A number of participants observed that the course was critical to their winning of new contracts upon implementation of knowledge acquired. One participant won a contract with Zambia Breweries just after attending the course to work on the company and employees sewer systems up to the end of this year. So far, he has been paid a sum of K4.5 million for the work accomplished.

- * Thorough understanding of legal requirements and implications of contracts induced confidence into participants as a result they now advertise their products and will go for any advert.
- * Participants felt that Government should ensure continuity of the training programmes even after USAID stops sponsoring.
- * Participants found the training programme useful. Business contracting skills for small and medium scale enterprises are necessary for the business to remain competitive and buoyant.
- * As a deliberate effort of encouraging medium and small scale enterprises, participants felt that Government should increase its grant to SIDO in order to facilitate access to soft credit.
- * Participants felt that they needed a lot of exposure to good business environment and therefore, requested inclusion of study tours in the HRD training programmes.

- * Small business have a vision to achieve their respective corporate objectives. However, lack of working capital has been identified as a constraint. Entrepreneurs need financial back up to sustain smooth operations.
- * Although some participants have in the past been able to win tenders the knowledge from HRD training programmes have enhanced confidence to venture into more competitive markets.

ANALYSIS

The course induced confidence to which some participants attributed their winning new contracts.

There is a general feeling in favour of the continuation of the HRD training workshops and strengthened linkages with existing public and private training institutions. These linkages will ensure sustainability of the training activity after HRD Project.

The design of future training programmes should have provision for inclusion of topical subjects such as VAT as and when need arises. This will ensure continued relevance and effectiveness of the training workshops.

An Alumni Association is highly recommended by participants as they have felt the need to learn from each other and to keep in touch on a regular basis.

CONCLUSIONS AND RECOMMENDATIONS

A. CONCLUSIONS

As stated elsewhere in this report, the purpose of this impact evaluation is to provide USAID/Zambia with information to determine the value of the training project and justification, if any, for continuing this type of training.

In **Sections II** and **III** of this report, we have estimated the economic behavior change induced by this training. Positive economic behavior change has been induced, namely, the former trainees have acquired business management skills and are applying the skills in managing their businesses. Almost all the former trainees (99%) reported to have used the acquired management skills.

We have determined the extent the change was attributable to the training. Most of the respondents, eighty-five (85) percent indicated that the observed changes were a direct result of the HRD training. Therefore, there is evidence to suggest that the HRD training has been able to improve the capacity and performance of former trainees.

As discussed elsewhere in this report the variable gender was cross-tabulated with several performance indicators to ascertain whether gender had influence on the impact of HRD training. In all the cross-tabulations there was no significant relationship, implying that the influence of gender on the impact of HRD training is negligible.

Similarly, we have estimated that positive impact has occurred on the firms, the capacity and performance of firms has improved.

Our observation is that the positive impact has been facilitated by:

- (i) The design and implementation of the training;
The course content is relevant and the delivery was done by experienced and practical business skills trainers.
- (ii) Trainees were learning the modern business management skills for the first time;
Therefore, are more interested and have higher commitment for implementation.

- (iii) Trainees had considerable control over the firms' ability to effect change; Most of the trainees were the owner/operator of a small business firm.

We found evidence suggesting that the HRD training has positive impact on the SMEs sector, the evidence was mainly from the following:-

- * Increased investments as reported by most respondents;
- * Substantial growth in employment opportunities; and
- * Increased revenues as reported by most respondents.

The theory described in **SECTION I**, suggests that impact at sectoral level should be felt at national level, given appropriate macroeconomic policies. There is a time lag of at least one year, it is hoped that the impact which has been identified at sectoral level will eventually be felt at national level and beyond.

B. RECOMMENDATIONS

The recommendations below flow from the themes revealed during the analysis of the data on impact of the HRD training workshops.

1. On the basis of our analysis it is evident that the HRD training workshops have had a positive impact on the SMEs and is in line with the Mission's current CPSP objectives and since the total coverage is only Six Hundred (600) participants we recommend that the training program be extended so that more SMEs would benefit.
2. We observed that one of the constraints former trainees were facing was lack of access to credit, therefore, we recommend that the HRD Training Program should work out a system to include referral and continuation of the current efforts of sensitising banks on viability of investment proposals from former trainees.
3. We found evidence to the effect that, the number of workshops attended had a positive relationship with improved capacity and performance of trainees. We therefore, recommend the continuation of the current practice which encourages trainees who have completed Basic Course to attend further Training workshops.
4. Duration of the workshops was cited by most respondents as being too short for most subjects. We recommend that

workshops' duration be increased to an average of three (3) weeks this will enhance effectiveness.

5. The design of future training programmes should have provision for inclusion of topical subjects such as VAT as and when need arises. This will ensure continued relevance and effectiveness of the training workshops.
- 6 The Government of the Republic of Zambia should ensure effectiveness of such training by providing/and or facilitating access to soft loans to former trainees.
- 7 The Government of the Republic of Zambia and/or SSIAZ should ensure continuity of the training programmes even after USAID sponsorship, through a cost sharing approach with participants. The current initiatives to train master trainers should continue and in addition, local training institutions should be identified and encouraged to participate in the training programmes so that eventually, local training institutions would takeover the running of the programmes.
- 8 The process of planning training should include collecting baseline data against which the impact of training can be assessed.
- 9 Localized and cheaper training sessions which would accommodate Youths and illiterate women for whom training materials should be translated into local languages are recommended.
10. Participants capacities in cost sharing should be evaluated before participation rates are set. Inclusion of other facilities such as medical cover during training is recommended.
11. Training programmes should also target prospective entrepreneurs so that they are prepared with appropriate business techniques before they commence their operations.
12. We recommended that credit managers for all lending institutions should be encouraged to visit small scale business premises to acquaint themselves with the strength, problems and opportunities in the small scale sector.

APPENDICES

APPENDIX I

HRDA PROJECT 698-0463.11 IMPACT MONITORING PLAN SCOPE OF WORK

1. BACKGROUND

The Human Resources Development Project was established in September 1991. In June 1994, an amendment to the original grant was made to transfer the Commerce, Trade and Industry in keeping with the project's focus on the private sector development. The project aims at strengthening basic and advanced business management productivity and growth among the existing SMEs. Owners and managers of small and medium scale enterprises are the target group for this project. In fostering private sector development the project has been working very closely with the Zambia Confederation of Chambers of Commerce and Industry, the Small Scale Industries Association of Zambia, the Zambia Federation of Association of Women in Business, and the Youth Entrepreneurs Association of Zambia.

In September 1993, a contract with Clark Atlanta University (CAU) was signed to implement the training. The training has been provided by local resource institutions as well as by CAU. The impact to be assessed will cover the period of the CAU contract from October 1, 1993, to September 30, 1995. A series of business workshops and seminars has been undertaken in areas such as Business Planning and Basic Finance, Export Marketing, Foreign Exchange and Money Markets, Accounting, Taxation and Business Law and Training of Trainers. Other training courses planned prior to September, 1995 are: Business Contracting for SMEs, Production Management, Quality Control and Management information Systems. Training seminars and workshops have been carried out mainly on the "line-of-rail", with the exceptions of seminars held in Chipata and in Mongu. A seminar is planned for Kasama and possibly Solwezi. The project has trained 303 owners and managers of businesses from October 1, 1993 through December 31, 1994. It is projected that another 300 business owners and managers will be trained by the end of September 1995, for an estimated total of about 600 survey respondents.

The impact which is sought is change in economic behaviour that results from altering and improving the stock of information enjoyed by designated small business men and women. The HRD Project Impact Monitoring Plan was developed by Amex International and Creative Associates Inc., at the request of USAID/ZAMBIA.

The monitoring Plan team reviewed HRD project documents and conducted a series of discussions and interviews with former trainees, local training providers and consultants. The Training Sub-Committee and Project

Executive Committee members, business association officials, CAU/HRD Project staff and USAID officials were also consulted.

II. OBJECTIVE

The objective of the Plan is to carry out an assessment of the impact of the HRD Project training provided from October 1, 1993 through September 30, 1995.

III ACTIVITY TO BE PERFORMED

The purpose of this Monitoring Plan is to provide USAID/ZAMBIA with information to determine the value of the training and justification, if any, for continuing this type of training. Impact evidence sought are to:

1. measure or estimate the economic behaviour change induced by this training;
2. determine the extent the change was attributed to the training;
3. estimate the extent the training was critical to the change

The Contractor will review the project relevant materials.

The Contractor will pre-test and administer the questionnaire developed by Amex International and Creative Associates.

Pretesting the questionnaire

The contractor will pretest the proposed five-page questionnaire before it is administered to the trainees. The pretest should be carried-out using a small group of trainees, preferably in and around Lusaka. In the pretest,

the contractor will ensure that the questionnaire is understandable by the trainees to be surveyed.

Once the questionnaire has been pretested, revised, and approved by the USAID/ZAMBIA Project Officer, it will be used as the impact assessment tool to be administered to all HRD trainees. No alternations to the questionnaire can be introduced without advanced approval in writing of the USAID/ZAMBIA Project Officer.

Performing the assessment

The administration of the post-training questionnaire will begin at the inception of the local firm's contract. The contractor will administer the post-training questionnaire at two points for each trainee: (1) Three months after the completion of training, and (2) again at approximately one year or more after training. The Three-month assessment will only be possible for those who have received training by September 1, 1994. This phase will involve mailing the questionnaire with a stamped self-addressed envelope to all participants at the relevant times. Trainees will be asked to fill out the questionnaire and return it to the contractor.

Tabulation and data entry

Once the questionnaires are received, the data from individual questionnaires will be tabulated and entered into a simple database which the contractor can propose. The tool chosen should allow the contractor to tabulate, cross-tabulate, and perform other analyses as well as present data in a graphic form for reporting.

The Contractor will develop focus groups and case studies. In addition to administering the questionnaires, the contractor will also use the following techniques for monitoring impact.

Focus group interviews: The focus groups should begin in the first quarter of the local contractor's work period. The contractor will conduct a total of four focus group interviews for 5-10 trainees, in four locations of Zambia, representing different types of training. The choice of groups and individuals will be determined by USAID/Zambia, CAU training staff, and the impact monitoring contractor. The contractor will communicate with the individuals in advance and coordinate a 2-3 hour group interview for each group, approximately six months after completion of training. The contractor will be responsible for all logistical arrangements and staff transportation to and from the sites. These focus groups will generate quantitative and additional quantitative data which will require interpretation by the contractor in a summary

report.

Case studies: The case studies will begin at the inception of the local contract and continue through the end of this activity. The contractor will develop case studies for three firms affected by training to provide greater quantitative depth in analyzing impact. Three firms and trainees would be chosen by USAID/Zambia and CAU. In developing the case studies, the local contractor will be required to trace the trainees through a series of at least three interviews each, and report how these trainees were particularly successful or unsuccessful in applying their training and increase their business opportunities, highlighting the links between training and change at various points in time. Information will be gathered at these times from various sources such as family members, clients, company staff and company records.

Analysis and reporting

The Contractor will be required to analyze and summarize the data collected, and prepare reports to USAID/Zambia every three months with the following information:

- Executive Summary
- Table of Contents
- Background (activities, techniques, study sample)
- Findings
- Conclusions and Recommendations
- Attachments (instruments, tabulations)

A final report will be submitted at the end of the contract that is a cumulative analysis of questionnaire results, focus group interviews, and case studies, as well as summary conclusions and final recommendations regarding training for impact. More information on specific reporting requirements are given below under VI Deliverables.

IV METHODOLOGY

In assessing the impact of training the methodology to be used by the implementors of the Monitoring Plan will be questionnaires, focus groups and case studies. These surveys will be conducted periodically within the line of rail where the trainees are located. This assignment is broken in three tasks.

Task 1. To administer the questionnaires

The work includes the pretest of questionnaires, mailing, tabulation of the response database, analysis of results, draft reports preparation and finalization of the reports. The

questionnaires shall be administered to former trainees three months after completion of training and one year after training.

Task 2. Focus Groups

Four focus groups sessions will generate qualitative and additional quantitative data which will deepen and enhance specific information capture through the mailed Questionnaires methodology. The four major themes for the focus groups are: Business Planning, Export Marketing, Production Management and business contracting for SMEs. The focus groups shall have approximately 5-10 members for each of the four major themes. The consultants shall prepare a focus group guide and questionnaires, conduct focus group interviews in Lusaka and in three sites outside Lusaka, analyze the information, prepare and finalize reports be presented to USAID.

Task 3. Case Studies

In addition to the mailed questionnaire and focus groups interviews, the consultant shall conduct case studies on three firms. The studies will provide a thorough, longitudinal look at the firms and track the progress of HRD Project former trainees. The consultants shall conduct a series of 3 periodical interviews to highlight how capacity building, performance improvements and business growth were affected as a result of training. The consultants shall prepare case study questionnaires and interview guidance, interview former trainees in Lusaka and two sites outside Lusaka, analyze the data and prepare the report for submission to USAID.

V SPECIAL SKILLS/QUALIFICATIONS

It is estimated that two consultants shall be responsible for this assignment. The minimum qualifications for staff members to complete these tasks shall be as follows:

1. Education: University degree in social sciences disciplines, such as Business Management and Administration, Economics, Sociology, Anthropology and Statistics.
2. Experience: Should have conducted at least three survey activities in Zambia preferably in connection with the emerging private sector. Provide at least samples of surveys conducted personally by the proposed consultants. These surveys should be included in the proposal.
3. Competency in Zambia national languages and knowledge

of Zambia.

WORK PLAN: The contractor shall present a work plan five working days after signing of the contract. The work plan will cover specific time frame for each activity, level of effort in person days and a timetable for report submission. USAID will review and approve the plan.

Interim Quarterly Reports: The contractor shall submit two interim reports, one three months after contract signing, the second after six months. The last report is to be submitted before September 15, 1995. Draft copies(2) of the report shall be submitted to USAID for review prior to finalization. USAID will provide comments within ten days after receipt.

The first quarterly report is critical in terms of USAID/Zambia decision making on the extension of the project beyond September 30, 1995. (The extension of the project could also entail monitoring activities for the local contractor. The first report should be submitted to USAID/Zambia not later than 90 days following contract signing i.e. on or about mid-May 1995. It should include questionnaire, focus groups and case study analysis for all former trainees who have completed training since october 1993.

The second interim report shall include all former trainees who responded to the first questionnaires and continuation of focus study and case study activities. The reporting format shall be the same as in the first interim report.

End of Contract Final Report: A final report shall be submitted at the end of the contract which will be a cumulative analysis of previous reports, completed case studies, summary results of focus group interviews, and the contractor's summary recommendations regarding training for impact. Nine bound copies, one unbound copy as well as a diskette of the final report shall be submitted ten day after the completion of the final assessment. The text should be prepared in Word Perfect 5.1 or in a word processing program compatible to Word Perfect.

VII REPORTING REQUIREMENTS

The Contractor will work under the general supervision of the General Development Officer, Val R. Mahan, Mr. Mahan will need to be consulted on any revision to the terms of this assignment. Reporting requirements have to meet the deliverables stated in Item VI.

APPENDIX II

HUMAN RESOURCES DEVELOPMENT PROJECT

POST-TRAINING IMPACT QUESTIONNAIRE

Dear Trainee:

As the monitoring and evaluation contractor for USAID, we are seeking information that will be used to improve the quality of the training HRD workshops and to assess their effectiveness. Your response will be held in confidence and used for analytical purposes only. Your candid feedback will be most helpful. We appreciate your cooperation with this evaluation questionnaire.

Date Today:____/____/____ NRC Number:_____

- day month year
1. Surname:_____Middle Name:_____ Given Name:_____
 2. Business Address(Street address and PO Box):_____
 3. Phone:_____Fax:_____
 4. What is your job title or position?_____
 5. How many people are employed in your business (excluding yourself)?_____
 6. Are you a member of business association?___yes ___no
If so, which one (s):_____
 - Are you currently active in the association(s):___yes ___No
 7. Name and date of HRD training workshop(s) you attended:
a. _____
b. _____
c. _____
 8. What new skills did you get from the HRD training course (s)? Please indicate whether the skills you learned were basic (B) or advanced (A).
____a. Business Planning/basic finance
____b. Marketing
____c. Contracting
____d. Managing information systems
____e. Managing for quality in design/production
____f. Managing production
____g. Accounting and managing finances
____h. Managing human resources
Other (specify):

9. Which of the following activities have you done in your business? (check all that apply)

	Before HRD Training	After HRD Training
a. Established a book of accounts		
b. Prepared a business plan		
c. Developed a marketing strategy		
d. Prepared tenders		
e. MIS? (wksp objective unknown)		
f. Introduced quality control techniques		
g. Introduced improvements to production		
h. Improved record keeping and accounting		
i. HR? (wksp objective unknown)		

10. How much of what you learned in the HRD workshop(s) have you been able to put into practice in your business? (check.)
___a. None ____b. A little _____c. A great deal

11. If you have been able to apply a great deal of your training, please describe an example that you have made as a result of the workshop(s). Please be specific.

12. If you have applied little or nothing, please identify the factor related to the project or internal to your business that might have limited your ability to apply the training. (Number rank the top three reasons.)

- ___a. Training was not applicable to my needs
- ___b. Training was too basic; more advance training needed
- ___c. Resistance of family members to change
- ___d. Resistance of business partner, co-workers, or employees to change
- ___e. Too many other demands on my time
- ___f. Limited funds, equipment, material or staff
- ___g. No longer in business
- ___h. Other (specify): _____

13. Which of the following activities has your business done since your training?(Check all that apply.)

- ___a. Applied for new credit
- ___b. Approached new markets
- ___c. Improved the quality or quantity of tenders
- ___d. MIS??
- ___e. Improved the quality of products/services
- ___f. Increased production
- ___g. Improved financial management
- ___h. HR??
- ___i. Other (specify): _____

14. Do you think you would have done any of these activities without the HRD training? (Check one.)

- ___a. Yes ___b. No ___c. Do not know

15. Since your training, has your business changed in the following ways? (Check one box per category.)

	Not Applicable	Decreased	Same as before	Increased
a. Amount of credit				
b. Number of clients				
c. Number of contracts				
d. MIS?				
e. Amount of sale				
f. quality of decision making				
g. HR?				

16. To what extent do you think these changes are direct results of the HRD training?

___a. None ___b. A little ___c. A great deal

17. Do you think these changes would have occurred if you had not received the HRD training?

___a. Yes ___b. No ___c. Do not know

18. What factor do you think limit the impact of the training on your business?

- ___a. Economic conditions
- ___b. Cultural/legal biases against women
- ___c. Government policies
- ___d. Attitudes/policies of banks
- ___e. Strength of competitors
- ___f. Availability of skilled labour
- ___g. Availability of equipment and raw materials
- ___h. Other (specify): _____

19. Have the gross revenues of your business increased since the HRD training?

___a. Yes ___b. No ___c. Do not know

If yes, by what percentage? (Check only one.)

___a. 1-25%
___b. 26-50%
___c. 51-75%
___d. 76-100%
___e. 100-150%
___f. Over 150% (please specify):_____

20. To what extent did outside economic conditions (such as inflation) affect your revenues?

___a. None ___b. A little ___c. A great deal

21. What have you done with the increased revenues? (Check all that apply.)

___a. Deposited in business bank account
___b. Made payments on business loans
___c. Paid for business advice
___d. Trained self or employees
___e. Hired additional employees
___f. Bought materials and supplies
___g. Purchased new equipment, building or land
___h. Add new product/services
___i. Started new business
___j. Used for personal expenses
___k. Other (please specify):_____

22. What are the byproducts or other benefits of your training? (Check all that apply.)

___a. New contracts (sources of materials, referrals, clients)
___b. Information about business associations
___c. Increased understanding of the role of Government in business
___d. Increased awareness of the importance of good management skills
___e. Improved presentation skills
___f. Increased confidence
___g. Increased motivation
___h. Better separation of business and family matters

___i. Other (specify): _____

23. What is the single greatest benefit you gained from the HRD training?

24. Have there been any negative results? ___Yes ___No
If so, please describe:_____

25. What recommendations do you have to improve the HRD training program?

26. Would you recommend HRD workshops to others?
___a. Yes ___b. No ___c. Do not know

THANK YOU FOR YOUR COOPERATION

APPENDIX III

HUMAN RESOURCES DEVELOPMENT PROJECT

IMPACT MONITORING PLAN

CASE STUDY INTERVIEW GUIDE

- * Identify significance of sector to development
- * Review performance of sector.

A. Participant Profile

1. - Organisation
 - (Number of Units (ownership)
 - Number of employees (M/F)
 - Legal Status (sole proprietorship)
 - Partnership, corporation, other cooperatives.
 - How long have you been running the enterprises
2. **Personnel**
 - a. Literacy, training, formal, informal education.
 - b. Marital Status
 - c. Household size (dependent on the enterprise)
3. **Production**
 - a. Geographical location
 - b. Operating location
 - c. Technology
 - d. Productive
4. **Marketing**
 - Market Destination
 - Sales Value
 - Competition
5. **FINANCE**
 - a. Capital - Start up, annual etc
 - b. Financing sources
 - c. Financial Management
 - d. Earnings
6. **SIZE OF ENTERPRISE**
7. **TYPE OF ENTERPRISE**

8. Financial Records
 - Balance sheet
 - Profit and Loss
 - Production Records
 - Other Management/Personnel Records
9. Check Sample Bank Statements (if possible)

APPENDIX IV

HUMAN RESOURCES DEVELOPMENT PROJECT

IMPACT MONITORING PLAN

FOCUS GROUP DISCUSSION GUIDE

1. Welcome the participants and thank them for coming.
2. Introduce the team.
3. Explain team 's work. Provide a simple explanation of the project without giving away the exact nature of the research questions.
4. Explain the different roles of the team.
5. Explain why the participants were chosen. Include the importance of their contribution to the study and the community.
6. Make sure people understand that the session will be confidential.
7. Explain that you will be using a tape recorder for the session in order to remember later what was said.
8. Explain how the focus group works and "ground rules".
 - a group discussion that is built around certain questions;
 - Session lasts for around an hour and half.
 - Because of need for tape recording it is essential that only one person talks at a time;
 - at certain times the observer may need to check a point with the moderator, so please be patient.
9. Explain that because of time constraint you may need to move onto the next question before the group has really explored on area.

10. Group members introduce themselves.
11. Ask for any questions.
12. Start the session.....

APPENDIX V
HUMAN RESOURCES DEVELOPMENT PROJECT
IMPACT MONITORING PLAN
CASE STUDY
QUESTIONNAIRE

A. GENERAL PARTICULARS

Name of Participant

Location (Town/Province)

Postal Address

Physical Address

Telephone No.

Fax No.

Sector/Size/Activity

Products

.....

.....

Ownership/Shareholding

.

.....

Years in Operation

Bankers:

Auditors:

Lawyers:

B. BACKGROUND INFORMATION ON ENTERPRISE

Start of Operation:

Capital Start Up
Annual Working Capital:
Source of Finance:
Outlay:
Financial Management:
.....
Earnings Per Annum:

OPERATIONAL PARTICULARS

1. CAPITAL COST

Land and Buildings

Local cost

Foreign cost

Machinery and Equipment

Cost

Duties and Taxes

Vehicles

Cost

Duties and taxes

Other Investments and Contingencies:

Cost

Duties and taxes

Total Capital Cost

2. MEANS OF FINANCE (Sources)(Amounts)

Overdraft
Owners's Equity
Loans - Long Term/Short Term
Working Capital

Total Finance Employed

3. REVENUE DATA

Products

Type/Name Product (a)

Quantity Produced per month/annum (Units)

Capacity Output (Units)

Price/Units (Selling Price)

Type/Name Product (b)

Quantity Produced

Capacity Output (Units)

Price/unit (Border price)

Price/unit (selling price)

TOTAL REVENUE

OF WHICH EXPORT

TOTAL CAPACITY OUT PUT

CAPACITY UTILIZATION

4. VARIABLE COST DATE

(i) Raw Materials

Name of Input 1

Quality used (units)

Price/unit

Other related costs

Name of Input 2,3,4

TOTAL VALUE RAW MATERIALS

(ii) MANAGEMENT:

No.

Cost/Month/Annum

iii. Labour Cost

No. of Wage Earners

Average Wage rate

No. of Salary earners

Average Salary Rate

Power Cost

Transport Cost

Spares

Maintenance

Other Expenses

Interest

Taxation

TOTAL VARIABLE COSTS

5. NO. HUMAN RESOURCE POWER

Management No. (men/women)

Skilled (men/Women)

Unskilled (men/women)

No. Trained (men/women)

6. **SOCIAL/CULTURAL**

- Ratio of men to women

- Social facilities provided
 - Housing
 - Medical
 - Education
 - Nutritional
 - Recreational
 - Social Security

7. ENVIRONMENTAL IMPACT

Noise
Pollution
Disease Occurrence
Sanitation
Stress

8. PROJECT'S ACHIEVEMENTS

Before training
After the training

9. MAJOR PROBLEMS AFFECTING THE PROJECT

10. PROPOSED SOLUTIONS

11. FUTURE PROSPECTS

Training (Human Resource Development)

Expansion (Enterprise)

12. RECOMMENDATION

APPENDIX VI

BUSINESS PLANNING AND BASIC FINANCE

LUSAKA AND COPPERBELT BASED WOMEN ENTREPRENEURS

FOCUS GROUP INTERVIEW QUESTIONNAIRE

1. Do you think the course you attended contributed something to the management of your company.
2. Of the techniques you learnt would isolate any single technique as the most useful.
3. Any other techniques which you think are useful.
4. What kind of problems were you facing before HRD training workshop.
5. With reference to your organisation have you noticed any change after your training and what has been that change.
6. Give specific examples of achievements which you could attribute directly to the training you received.
7. Many of you, if not all of you, have attended other workshops, why is it that the HRD training workshops are particularly successful.
8. What would you suggest for the financing of this type of training after the USAID grant.
9. Access to credit why is there a problem.
10. How would government grants help uplift SMEs.
11. How do gender issues affect effectiveness of HRD training.
12. How has the introduction of VAT affected your business.
13. Would you recommend this course to anybody and why.
14. Do you think there is demand for this type of training and why.
15. Recommendations.

APPENDIX VII
BUSINESS CONTRACTING FOR
SMALL AND MEDIUM ENTERPRISES
FOCUS GROUP INTERVIEW QUESTIONNAIRE

1. Do you think the course you attended contributed something to the success of your company.
2. Of the techniques you learnt would you isolate any single techniques as the most useful.
3. Any other techniques which you think are useful.
4. What kind of problems were you facing before HRD training workshops.
5. With reference to your organisation have you noticed any change after your training and what has been that change.
6. Give specific examples of achievements which you could attribute directly to the training you received.
7. Many of you, if not all of you, have attended other workshops, why is it that the HRD training workshops are particularly successful.
8. What would you suggest for the financing of this type of training after the USAID grant.
9. Access to credit why is there a problem.
10. How would government grants help uplift SMEs.
11. How do gender issues affect effectiveness of HRD training.
12. How has the introduction of VAT affected your business.
13. Would you recommend this course to anybody and why.
14. Do you think there is demand for this type of training and why.

15. Recommendations.

APPENDIX VIII

PARTICIPANT STATISTICAL SUMMARY

October 1993 to May 1995

TRAINING ACTIVITIES COMPLETED OR IN PROGRESS	(25)	
TOTAL NUMBER OF PARTICIPANTS		533
Total Male	272 (51%)	
Total Female	261 (49%)	
TOTAL PARTICIPANTS IN BUSINESS COURSES		450
(20 COURSES)		
Total Male	213 (47%)	
Total Female	237 (53%)	
BUSINESS PLANNING AND BASIC FINANCE (14 Courses)		312
Male		130 (42%)
Female	182 (58%)	
EXPORT MARKETING STRATEGIES (3 courses)		65
Male		40 (62%)
Female	25 (38%)	
BUSINESS CONTRACTING FOR SMEs (1 course)		25
Male		15 (60%)
Female	10 (40%)	
MARKETING MANAGEMENT (2 courses)		68
Male		48 (71%)
Female	20 (29%)	

PARTICIPANTS IN OTHER ACTIVITIES/COURSES 83

Master Trainers Workshop (1)		14
Master Trainers Workshop (2)		11
Bourse Game	24	
Regional AgriBusiness		
Workshop	17	
TECHPRO	17	
Total Male	59 (71%)	
Total Female	24 (29%)	

PROVINCIAL BREAKDOWN
(For Business Courses)

<u>Province</u>	<u>Participants</u>
Lusaka	157
Copperbelt	89
Central	24
Southern	49
Eastern	26
Western	27
Northern	32
North-Western	43
Luapula	<u>03</u>
TOTAL	450

COVER LETTER APPENDIX IX

FOLLOW UP LETTER APPENDIX X

APPENDIX XI

HUMAN RESOURCES DEVELOPMENT PROJECT
IMPACT MONITORING PLAN
BUSINESS PLANNING AND BASIC FINANCE WORKSHOP
FOCUS GROUP INTERVIEWS QUESTIONNAIRE
(EASTERN PROVINCE ENTREPRENEURS)

1. What would you consider as the most important techniques you learnt from the workshop on Business Planning and Basic Finance.
2. What other techniques of lesser importance did you learn.
3. How have you used the acquired knowledge in your business.
4. To what extent has the workshop improved the performance of your company.
5. Would you cite examples of achievements in terms of orders secured, increased sales etc.
6. Would you recommend the workshop to any body and why.
7. Is there any other complimentary factors which would enhance the effectiveness of the workshop.
8. Were you in business before the training and what problems did you encounter then.
9. Could you explain the difference between an organisation with a Business Planning System and one without.
10. What aspect of your business improved since you attended the training course.
11. What skills would you say improved after the training workshop.
12. What components of a Business Plan are you most comfortable with:
 - * Executive
 - * Company Descriptions
 - * Market potential
 - * Financial Summary
 - * Products and services plan etc.

13. What recommendations would you make in respect of BUSINESS PLANNING AND BASIC FINANCE WORKSHOP

APPENDIX XII

HUMAN RESOURCES DEVELOPMENT PROJECT IMPACT MONITORING PLAN EXPORT MARKETING STRATEGIES WORKSHOP FOCUS GROUP INTERVIEWS QUESTIONNAIRE

1. What would you consider as the most important techniques you learnt from the workshop on export marketing strategies.
2. What other techniques of lesser importance did you learn.
3. How have you used the acquired knowledge in your business.
4. To what extent has the workshop improved the performance of your company in export business.
5. Would you cite examples of achievements in terms of orders secured, increased sales etc.
6. Would you recommend the workshop to any body and why.
7. Is there any other complimentary factors which would enhance the effectiveness of the workshop
8. Were you an exporter before the training and what problems did you encounter then.
9. Could you explain the difference between export and domestic marketing
10. What aspect of your business improved since you attended the training course.
11. What skills would you say improved after the training workshop.
12. What factors would you consider before choosing an export strategy.
 - Speed of Entry
 - Costs
 - Flexibility
 - Risks involved

13. What recommendations would you make in respect of EXPORT
MARKETING STRATEGY WORKSHOP.

APPENDIX XIII

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APPENDIX XIV

TABULATIONS AND CROSS-TABULATIONS

