
Role of Educational Institutions in Entrepreneurship Development

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Abstract

India has been growing at a quite high rate in the recent years, and is possible to be the largest economy in the world by 2050. India is a young country with about 63 per cent population currently being in the working age group of 15 to 59 years. This is a bonus factor in its favour many studies have found that growing entrepreneurship prevalence rates are highest in the 25-34 age groups, but this demographic bonus could prove to be ineffective if we are not able to hold our youth in creative pursuits through developing appropriate skills, including entrepreneurship skills. Today, only about 5-6 per cent youth have access to some type of skills.

Education is an important aspect in determining the entrepreneurial direction in individuals. Studies proved that formal education is positively correlated with entrepreneurship. Education and training can have specific role in enhancing entrepreneurship in the context of a developing country

Keywords: *Entrepreneurship, Education, Development, Entrepreneurial.*

Introduction: According to Schumpeter entrepreneurial process is a main factor in economic development and the entrepreneur is the key to economic growth. Entrepreneurship is one of the mainly important inputs in the economic development of a country. The entrepreneur acts as a trigger head to give spark to economic activities by his entrepreneurial decisions. Entrepreneur plays a vital role not only in the development of industrial sector of a country but also in the development of farm and service sector.

Entrepreneurship is getting greater concentration from policy makers and experts because it contributes to economic development by converting ideas into commercially feasible projects. The benefits of entrepreneurship to the society and the country as a whole are immeasurable. The power of entrepreneurship in economic development gives competitive border to an enterprise, absorbs human resources, and brings in economic and social change. It also helps in evasion of monopolies and cartels. Indian experiences expose that the entrepreneurship came to be used as a tool to extend and get deeper the economic benefits of growth during the post-independent period. Most of the entrepreneurship literature focuses on training entrepreneurs than creating a culture of entrepreneurship. This is true if we consider the institutions of higher learning. Entrepreneurship in India has grown more out of necessity than opportunity. (Dr.Uday Kumar M.A.). At an individual level, while India would rank high on the increasing number of entrepreneurs, but at an institutional level, it has a long way to go. (Jacinta Shibong).

Volery and Mueller (2006) heighten the importance of

encouraging and fostering entrepreneurship. According to them, such acts are embodied by motivating potential entrepreneurs and equipping them with the required skills to seize opportunities and transform them into successful ventures. As a result, several business schools, institutions and universities have set up initiatives to create awareness about entrepreneurship and to train prospective entrepreneurs. Nowadays, universities are regarded as effective contributors to the economic development by offering entrepreneurship education courses and training.

Entrepreneurship and enterprise education is highly diversified. Under the umbrella of entrepreneurship education lie an interrelated array of educational aspects including self-employment; venture creation; employment in small businesses; small business management; and, the management of high-growth ventures (Pittaway & Cope, 2007). Gorman, Hanlon & King (1997) confirm "that entrepreneurial attributes can be positively influenced by educational programs and that many entrepreneurship programs and courses are able to build awareness of entrepreneurship as a career option and to encourage favourable attitudes toward entrepreneurship". Moreover, entrepreneurship education could promote entrepreneurial attitudes and mindsets through focusing on informal institutions such as role models (Toledano & Urbano, 2008).

The contribution of entrepreneurship education to societies is perceived as grand. Research shows that entrepreneurship graduates are more productive and thus their business start ups have greater sales than those established by non-entrepreneurship graduates. Moreover, entrepreneurship graduates differ from those

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non-entrepreneurship graduates in terms of innovation and knowhow and consequently present more opportunities with advancing technologies (Charney & Libeca, 2000).

Role of Education Institutions in Entrepreneurship Development: Education needs to address the development of entrepreneurial skills required to generate an entrepreneurial mindset and to prepare future leaders for solving more complex, interlinked and fast-changing problems. We can sketch a boundary around entrepreneurship education as comprising the following 3 components:

Individual Development: Entrepreneurship education should build confidence, motivate progress, strengthen the entrepreneurial mindset, foster a desire to achieve and inspire action.

Business Development: Role of education institutions is play vital role in business development. Skill required for development of business like, technical, financial literacy, skill to engage in self-employment & employment in entrepreneurship can be built at institutional level. This would improve the expected business and functional curricula.

Entrepreneurial Skill Development: Entrepreneurship education should gives training in social skills, networking, creative problem solving, opportunity seeking, selling, interviewing, presentations, group leadership, community co-operation, dealing with bureaucracy, local cultural norms and how they affect business, etc.

There is a growing body of literature that entrepreneurial learning needs to focus as much on personal development and social skills as on business development. This would argue for a blended learning experience where business knowledge and skills are combined with the best of tools and approaches taken from training events.

Entrepreneurship Education for the Supply Side: Further than the development of the being we also need to work towards getting society and the “supply side” fit for enterprise. In seeking to generate awareness and social acceptance of entrepreneurship, careful consideration needs to be given to the role of media. Television and radio can present news, cases, information and engaging programmes to bring a more positive message about enterprise and entrepreneurship. This is relatively important to help overcome negativity that might exist in society. Where low trusts in free markets persist. Mass media, NGOs and other grass roots agencies might be brought together to assist engage people more directly through schools, collages, community centers, village halls, church etc.

For example educational institutions, civic organizations, business development agencies and NGOs education

wants to cover the role of entrepreneurship education, entrepreneurial finance, fair play, regulations, managing civic administration, banking rules etc.

This side wants to argue the role of entrepreneurship education, entrepreneurial finance, fair play, regulations, managing civic administration, and banking rules etc. They need to know and feel the emotional content of entrepreneurship. They also want role models of entrepreneurs as change agents in society, entrepreneurship for policy, civic administration and education. They need to work towards creating higher levels of aspiration. So what should we do to take the next steps in implementing entrepreneurship education for enhanced social inclusion?

Governments need to commit to long-term, sustained (5-10 years) funding. This is as important as the provision of health services, broader education. It can lead to people who are better equipped to participate in the economy. Governments need to review legislation that holds back entrepreneurship. In many countries the legislation (red tape) is so cumbersome that entrepreneurs prefer to operate in the informal sector and so they remain outside the scope of effective assistance, outside formal banking support and suffer many other disadvantages.

Stakeholders, such as not-for-profit organizations, large local and multinational companies, well established entrepreneurs and others need to come together in networks to create an ecosystem in which entrepreneurship can flourish.

Multilateral Organizations such as the UN ought to create Web-based resources, knowledge-sharing platforms and networks of educators. The world is full of teaching materials, but finding them is a challenge.

Governments and stakeholders need to provide resources (sponsorship) for access to world class journals and publications so that educators and trainers can be encouraged to read what is cutting edge and current. Many of these journals and publications are simply not available to educators and trainers in poor countries and so they risk being stuck with old materials, ideas and methods.

Educators, trainers and institutions should adapt their curricula, to ensure that it is relevant, cutting edge, fresh and dynamic. It is time to go beyond the “teaching of business plans”. Educators and trainers also need to be embedded in the context and provide access to resources, markets and opportunities, not just “training.”

Policy-makers, educators, entrepreneurs and sponsors need to come together in conferences on a sufficiently large scale to raise standards, increase the volumes of participation and find appropriate local, regional and national solutions so that entrepreneurship education can have a positive impact at the grass roots.

Television must not be ignored as it has a major reach across society and can be influential in transmitting ideas and raising aspirations.

The vast majorities of the working people in the world are self-employed or work in small organizations, but as yet their income levels are not sufficient to lift people above grinding poverty and hit the targets set under Millennium Development Goals. While economic and political reforms play an important role in setting the scene, people need the knowledge, skills and mindset to take advantage of opportunities. It is hoped that this contribution can help make a difference in this arena.

Entrepreneurship Education Scenario in India: Consequently, in the 1960s and 70s, entrepreneurship education was almost exclusively delivered in the form of training programs, offered by institutions under the aegis of State and Central Governments, and by financial institutions receiving support from the Government.

In the 80s, entrepreneurship education continued to focus primarily on entrepreneur training aimed at creating self-employment ventures. The 80s also saw the entry of entrepreneurship education into technology and management institutions. At IIM Ahmadabad and other management institutions also began offering similar courses, driven mainly by faculty interest. However, none of these institutions took on a pioneering role to emerge as a thought-leader. Governmental effort oversaw the founding of an initiative to set up Science and Technology Parks (STEPS) and incubation centers at a few reputed technical institutions. With the advent of liberalization in the 90s, the country saw the potential of entrepreneurship not only as an entry-level employment generator, but also as a means of wealth creation.

During the 9th plan period, entrepreneurship development program was introduced at the graduate level. A paper on entrepreneurship and its relevance in India was taught at the last leg of vocational stream. The whole idea was to enable graduate students take to entrepreneurship as a career. But basic objective of inculcating the spirit of enterprise and motivate them to start small business was poorly translated into entrepreneurial ventures.

The past two decades have witnessed the entry of industry associations, NGOs, consultants and voluntary organizations into the entrepreneurship education space. In general, this time period saw the strengthening of the entrepreneurial ecosystem, with the establishment of modes of education that were not training based.

The latest surveys of the trends of entrepreneurship education in India conducted in 2012 indicate that 44,500 students are currently enrolled in entrepreneurship programs across the country. This number is expected to grow at a CAGR of 20.4% to reach 54,700 by end of 2012.

Eleventh Plan has visualized that emphasis will be on demand-driven vocational education programs in partnership with the employees. During the Eleventh Plan, vocational education would be extended to cover 20,000 schools with an intake capacity of 25 lakhs by 2011-12. The programs will be so designed that they permit mobility between vocational, general and technical education. Thus, there should be enough flexibility in the approach.

Previous researches reveals that despite efforts made by a host of institutions, only less than 20% of the new entrepreneurs have access to training every year. This means that a large mass of potential entrepreneurs are still outside the reach of training interventions therefore the important task of institutions was to identify and groom potential new entrepreneurs from a variety of socioeconomic backgrounds. There has been a sizzling opportunity in the corporate with very lucrative pre-requisite which is being driven away in case of the youth not opting for Entrepreneurship.

Problems Faced By Education Institutions in India: For developing entrepreneurship in India, continue efforts have been taken by the Government since 1960. Various policies were formed & implemented by the Indian Government. Education Institution is one of the major instruments for developing entrepreneurship. Unfortunately, the present entrepreneurship education in India just concentrates on related courses. Moreover, the so called entrepreneurship courses are similar to the general business courses. But general business management education has no significant influence on entrepreneurial propensity. There is a demand for education programs specifically designed to expand students' knowledge and experience in entrepreneurship. The contents and teaching methods have to be differentiated between entrepreneurship and traditional business courses.

Despite of all these issues educational institutions are facing following important challenges.

Objectives of Institutions: Majority of institutions engaged in EDP are themselves not convinced and certain about the task they are supposed to perform and objectives to achieve. They are conducting EDP because they have to complete the target.

Non-Availability of Skilled Faculty: The faculties selected for giving training are not sometimes competent enough to give proper training to prospective entrepreneur. Even if competent and qualified teachers available, they are reluctant to serve in rural and backward areas. This creates problem smooth conduct of EDPs.

1) **Selection of Wrong Trainees:** There is no uniform procedure adopted by various agencies and

institutions conducting EDPs for the selection of trainees. This results in the selection of wrong trainees which leads to low success rate of EDPs.

- 2) **Lack of Practical Exposure:** There are problems with the contents of the course on entrepreneurship and the way the concepts are introduced to students. Most of the contents are highly academic and lack practical exposure. Entrepreneurship course in the university system is taught by the faculty, who failed to make a real impact on the students to be entrepreneurs.
- 3) **Lack of Standard Framework:** Due to lack of standard the course contents are not standardized and the agencies engaged in EDPs are themselves not very clear about the course of action they are supposed to follow. There is no accountability and feedback system for further improvement.
- 4) **Poor Follow-Up:** Institutions providing EDPs do not show much concern for objective identification and selection of entrepreneurs. No follow-up actions follow EDPs after training.
- 5) **Lack of Involvement and Commitment by Corporate Sector:** Corporate sectors can play a major role in entrepreneurship development. But it seems that the involvement and commitment of corporate sectors is very low in developing entrepreneurship. They show less concern about it and they lack in providing institutional support.
- 6) **Interest Towards Traditional Family Business:** In the United States, three keys to entrepreneurial success are easy accessibility to technology; availability of capital and the ability to fail are easily provided by the government. Whereas an experience shows that in India support for potential entrepreneur is provided from the family owned businesses only. This has been traditionally present particularly in Tier 1 and Tier 2 cities and a prevailing trend. This increases the interest towards traditional family businesses only and lacks willingness towards innovation.

Entrepreneurship Education Model of IMS: IMS (Institute of Management Of Studies) Ahmednagar in Maharashtra took initiative in spreading the Entrepreneurial culture in and around Ahmednagar district. The **Entrepreneurship Development Centre** of IMSCD&R has been established with the objective of creating, fostering and promoting the spirit of entrepreneurship among the youth of the nation. This will open gates for creation of new knowledge-based innovative hi-tech ventures and more avenues of employment opportunities thus turning job seekers into job creators and in the process, leading the nation towards industrial excellence and self-reliance.

The centre has already taken rapid strides in cultivating entrepreneurial culture and has succeeded in carving a niche for itself. The centre has organized a plethora of events which have witnessed healthy participation from society.

Methodology: For preparing a model of Entrepreneurship Education IMS has involved the various stake holders of Entrepreneurship. At Initial level the leader and faculties of IMS took initiative in setting up an Entrepreneurship Cell in the institute. To create competent faculties in this area a 10 day training program was organized by the institute for professors, teachers and members of various NGO's. The objective behind this programme is to develop skilled faculty so that they can create awareness regarding entrepreneurship in their respective institutions.

At the second level institute involved the industrialist from MIDC, Ahmednagar. The committee of faculties from institute, local entrepreneur from various fields, officials from Maharashtra Centre for Entrepreneurship Development (MCED) was formed. Meeting of all these members was held and discussions were carried out on the matter of Entrepreneurship Development. Suggestions' given by these stake holders were used to prepare the model. After long discussion with these experts, institute came out with the following model.

Mission: To spread spirit of entrepreneurship through education, research and training accelerating economic growth by increasing the supply of new sustaining entrepreneurs and strengthening performance of existing entrepreneurs.

Prime Objectives of Centre:

- To act as a resource institution to motivate, guide and help prospective entrepreneurs in their entrepreneurial endeavors/efforts through positive training interventions.
- To act as an institutional mechanism for providing various services including consultancy.
- To foster better linkages between institution, industry, Government agencies, N.G.O. etc.
- To create entrepreneurial culture in institutions, colleges and schools.
- To develop key characteristics required in entrepreneurs such as desire, drive, discipline and determination.
- To create and develop knowledgeable enterprising and effective entrepreneurs.

As discussed above the educational institutes plays a major role in entrepreneurship development but it faces many challenges. To overcome these challenges **Entrepreneurship Development Centre** of IMSCD&R

came up with following solutions:

- a) **Faculty and Teachers Development Program:** If entrepreneurial culture is to be inculcated amongst the society, then there is a need of competent faculty. Lot of institutions for entrepreneurship education is available, but still there is a lack of competent faculty. So IMS centre decided to create skilled faculty by providing proper training to them and organized faculty development program.
- b) **Entrepreneurship Awareness Camp:** The spirit of Entrepreneurship needs to be nurtured at the early age, therefore the Entrepreneurship Awareness Camps will be organized for various target groups which will include secondary school children, junior college students, under graduate students, parents of these students.
- c) **Opportunity Identification:** It is observed that people are interested in starting their own venture but lack in opportunity identification. To cater this need of target group IMS came out with the solution of opportunity identification. IMS centre for entrepreneurship development carries research to find out the business opportunities in and around Ahmednagar.
- d) **Assistance to the Prospective Entrepreneurs:** Guidance and assistance will be provided to the prospective entrepreneurs on various aspects of Entrepreneurship. Assistance in preparation of project reports, obtaining project approvals, loan proposals, facilities from agencies of support system will be provided.
- e) **Information Centre:** IMS entrepreneurship Development Centre will act as information centre on business opportunities, processes, technologies, market etc. for which data-bases for industry and environment related information will be prepared as a part of regular activities.
- f) **Liaison with Government and Other Funding Agencies:** Many times the accurate procedure regarding registration, finance etc is not known to prospective entrepreneurs. Complexities in procedure demotivate them. To avoid this IMS centre will keep liaison with government and other funding agencies.
- g) **Practical Exposure:** Major problem of Entrepreneurship Education is lack of practical exposure. To overcome this problem, IMS decided that the field training will be provided to the prospective entrepreneurs in their area of interest. Students will take training with existing entrepreneur and will work with them as apprentice. During their apprenticeship they will learn the various skills of entrepreneurship like preparation of project report,

management of funds, marketing of products etc.

Conclusion: After considering the diversified nature of entrepreneurship education, it is obligatory that a student-oriented learning approach should be adopted in higher education institutions. The learning mechanisms should focus on role orientation, involve students in problem-solving and real life case studies, and develop rational and critical thinking, increase creativity skill. Furthermore, the new learning approach must present students with role models who are involved in both the learning and assessment processes.

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