



Educational Institutions: Stepping Stone For Development Of Entrepreneurship Skills

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Abstract

It is a universal fact that education enables people to work in more efficient way. It increases abilities, knowledge and skills of individual and qualifies them to reach desired destination. Among many disciplines of education, business education is of utmost importance for developing countries. It inculcates skills and competencies to individuals and make them able to run and setup new business venture. It is a vital factor for increasing the opportunities of employment and hastening the pace of economic growth of the country. By providing quality entrepreneur education to the youths educational institutions play important role in building capacity of young entrepreneurs. Study reveals that educated people are more interested in running their own business. It also finds only 9.3% young people are running their own business about 46.5% young people received entrepreneurship education from business schools are running their business in contrast to 30.9% young people who did not attend business education. The objective of this paper is to examine the role of educational institutions in development of young entrepreneurs.

Keywords- Abilities, Developing, Employment, Entrepreneurs, Economic.

Introduction

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Entrepreneurial knowledge is a multidimensional concept, which includes the understanding of activities to start a business, and of typical attitudes, motivation and values of entrepreneurs, as well as the development of abilities, practical skills and resources to identify an opportunity and act upon. In the present economic situation mere having knowledge of an academic subject is no longer sufficient for a new graduate. Students are increasingly required to have skills and abilities which will increase their employability, such as- the retrieval and handling of information; communication and presentation; planning and problem solving; and social development and interaction. Entrepreneurial education and training provides individuals with the ability to recognize commercial opportunities, self- esteem, knowledge and skills to act on them. It includes instruction in opportunity recognition, commercializing a concept, managing resources, and initiating a business venture. It also includes instruction in traditional business disciplines such as management, marketing, information systems and finance. Entrepreneurs or the move towards self- employment is, and will continue to become, an increasingly important element of economic growth and development. It is essential to have the infrastructure required to facilitate entrepreneurial mind-set and encourage self-employment. Having a culture of the creation of a new enterprise is a critical aspect of this infrastructure, as it will encourage students to take the risk of starting a business.

Objectives of A Startup Ecosystem

- 1- One of the basic objectives of start-up ecosystem is to attract and produce entrepreneurial talent and new ideas in growing volume to become business creators.
- 2- A start-up ecosystem acts as business catalyst for value creation.
- 3- Goal of start-up ecosystem is to bring together different parts like- resources, investors, infrastructure, networking, marketing, experts, talent etc., that will help grow a start-up.

Research

Question-

1. What is the role of education institutions in promoting entrepreneurship?

Objectives of the Study -

- a. To highlight the impact of role of education institutions in promoting entrepreneurship

Research

Methodology-

- Study is Exploratory by nature .
- Secondary data includes various books, research papers, journals, newspapers, reports of diversified agencies, web contents etc.
- The outcome of the study is based on secondary data/literature review of various websites, journals, articles, book chapters and newspapers.

Literature Review: Entrepreneurship Education and Entrepreneurs

Skills- 1-Entrepreneurship Education (EE)-

Regarding the Entrepreneurship Education (EE), many researchers give entrepreneurship a significant focus on their studies, McIntyre and Roche (1999) defines entrepreneurship education as the process of passing the necessary skills and concepts to individuals to identify new business opportunities and to reach high level of self-confidence to benefit from such opportunities. In addition, McMullan and Long (1987) and McMullan et al. (2002) entrepreneurship education should include skill—building and leadership programs, new product development, creative thinking, and technology innovation. Furthermore, Maritz et al. (2015) defines entrepreneurship education programs as any educational program or process of education for entrepreneurial manners and skills, which help in developing personal qualities. Entrepreneurship education has been classified by Van Gelderen et al. (2015), as one of the most important components of entrepreneurship ecosystem to enhance intentionally and business creation stability.

In related study conducted by Fayolle et al. (2006), entrepreneurship education has three different angles, which are culture/state of mind, behavior and creating specific situations. Education focuses on entrepreneurship as a matter of culture/state cover features that focus

on beliefs, values and attitudes associated with entrepreneurship. While, entrepreneurship education focuses on behavior mostly covers skills like opportunities, making decisions and developing social skills. Entrepreneurship education focused on creating specific situations, concerns the creation of new firms and entrepreneurial situations whereas the focus of entrepreneurship education in the past was on the last dimension (venture creation, e.g. writing business plans), many current scholars argue that the real challenge for entrepreneurship education lies within the development of the dimensions (e.g. Gibb, 2002:2009).

Regarding the relationship between entrepreneurship education and entrepreneur performance, the majority of studies on entrepreneurship education indicated a positive or mixed result (Lorz et al., 2011), like Van der Sluis and Van Praag (2007:2008) and Van der Sluis et al. (2005) found it positive, also Karlan and Valdivia (2006) supports that the business training for the people who applied for micro finance to start their own business has a positive effect on their performance. As Peterman and Kennedy (2003) found that the entrepreneurship education programs can significantly change the entrepreneurial intentions of participants. However, recently only two studies found a negative relation between entrepreneurship education on entrepreneurs (Oosterbeek et al., 2010; von Graevenitz et al., 2010).

Overall, the positive impact of the findings made some researchers to call for more researches with robust research methods, Peterman and Kennedy (2003) stated that although researchers have recognized the positive impact from entrepreneurship education, "there has been little rigorous research on its effects." In their analysis of entrepreneurship education, Pittaway and Cope (2007) found that the link between entrepreneurship education and outcomes is still not clear and needs more research.

Fayolle (2006) observed "there is a lack of research regarding the outcomes of entrepreneurship education." Oosterbeek et al. (2010) advice that extra research is needed to recognize the different options of entrepreneurship education programs, and von Graevenitz et al. (2010) says, "Little is known at this point about the effect of these (entrepreneurship) courses."

2-Entrepreneurship Skills (ES)-

According to Do Paco et al. (2011a:2011b) entrepreneurship education can develop skills for entrepreneurship success, and that entrepreneurs will need it in the future. Some entrepreneurs prefer to rely on themselves believing that they have the skill need it to be successful, but once they discover training programs new horizons emerged to their business success and they find teachable skills (Wu and Jung, 2008).

The reason behind the business failure mainly comes from the lack of skills (Dowling, 2003; Zimmerer and Scarborough, 2003). According to Lazear (2004:2005) that individuals who have work experience and educational background, they got a set of various skills become more likely entrepreneurs and make better business progress than others. Regarding the skills behind successful entrepreneurs, each researcher has stated different set of skills. Martin (2015) stated that according to the OECD (2014) annual report, three sets of skills were identified technical skills, business management skills and personal entrepreneurial skills. The technical management include written and oral communication, technical implementation skills and organizing skills (Henry et al., 2005). Beside that it includes environment

monitoring, problem solving and interpersonal skills (Martin, 2015). Interpersonal skills were defined by Rungapadiachy (1999) as skills which one needs in order to communicate effectively with another person or a group of people. Regarding environment monitoring, Aguilar (1967) define it as the way which management of the business gather important information about events occurring outside the company to help in assessing the future course of the business.

The business management skills include decision-making, setting goals, human resources management, finance, accounting, marketing, customer relations, negotiating, growth management and compliance with regulations (Martin, 2015). (De Wolf & Schoorlemmer, 2007; Rudmann, 2008; Vesala & Pyysiainen, 2008) stated that management skills are human resources managing skills, financial management skills and general planning skills and (Henry et al., 2005) stated that managerial skills are marketing, accounting and decision-making.

In assessing the importance of business management skills, Thornhill and Amit (2003) they found that the failure of younger entrepreneurs is linked with deficiencies in business management skills. In related study, Landwehr (2005) stated that business management skills are important in the later stages of the business to keep it running. According to Frese and Gielnik (2014), since business situations are very complicated, unpredicted and changing requirements during the business procedure, entrepreneurs must build a specific personality features to be capable of facing this situation, the entrepreneur must act as a leader, investor, inventor, accountant, marketing specialist and top sellers.

Thomas and Mueller (2000) stated that the main difference between entrepreneurs and regular employees is the risk-taking attitude, also the big difference between being and entrepreneurs and being a professional manager in business is that entrepreneurs personally take the risk of loss or profit. However, as stated by Erdem (2001) and Littunen (2000) being an entrepreneur is not only about facing the risk of loss, but by facing the risk of career opportunities, emotional condition, health and family relations, therefore the common sense that when a person decides to be an entrepreneur, he/she must accept all the risk with it.

According to Bolton and lane (2012) stated that innovation and risk taking are strongly related to the intent to become an entrepreneur.

Lazear (2004) developed "Jack-all-trades" theory, which suggests that people with balanced skill are more likely to be entrepreneurs, and those balanced skills can be adopted by getting appropriate education, working in different functions and working for different employers. Moreover, Lazear (2005) mentioned that individuals could invest to learn and get diversified skills through education or job training. Individuals who want to get a career in entrepreneurship choose to learn skills by either education or accepting a variety of positions in the work. While, an individual who has educational background or previous work experience will be more fit to be entrepreneurs. Investigating the impact of entrepreneurial education on entrepreneurs' skills is the focus of this study. Furthermore, Becker (1964); Silva (2007); Unger et al. (2011) found that skills are the most important human outcomes acquired through either formal or non-formal education. While, (Ucbasaran et al., 2008) confirmed that entrepreneurship education is a significant source of skills.

The Challenges of the Global Economy-

Mankind has to face new challenges in the 21st century such as globalization, the rapid pace of

innovation, the fast spread of technology and its high speed adoption in our lives. Discoveries and inventions, revolutions and social movements have been the triggers of progress throughout history. These factors and many others are changing not only how businesses and economies are functioning, but also the job market landscape. The knowledge and skills required by the present and future jobs are changing and consequently the education system at all levels has to respond and adapt to the new challenges. Cheaper transportation and communication facilitate greater mobility and digital technologies support long distance exchange of large amounts of information, thus transforming the global labor markets. International migration used to be a one-way process, but especially for the ones with technical skills, it has become a reversible choice.

Importance of Entrepreneurship in India-

There's no doubt that entrepreneurship can greatly impact the economy of a nation, hence, entrepreneurs are often considered to be national assets, who are motivated and remunerated through various Government policies. This is primarily because a great entrepreneur has the capability to completely change the way we live and work. They can not only improve our standard of living but they also actively contribute to the growth of the economy.

Mentioned below are some of the various reasons why entrepreneurship is extremely important and is highly encouraged by the Indian government.

1-Creates job opportunities-

It's no secret that entrepreneurship greatly contributes to increasing job opportunities in the country. Moreover, as they provide entry-level jobs, it creates a great benefit of unskilled workers to get trained and gain experience. Hence, entrepreneurial ventures essentially prepare and enhance the skills of the workforce for large industries.

2-The social impact

Most entrepreneurs are givers. They have struggled and worked hard to attain success, and hence, try to make the life of others easier. For example, many seasoned entrepreneurs regularly nurture other upcoming business ventures to help them in their journey. Not only does this help the young businesses, but it also gives the seasoned entrepreneurs a chance to extend their own ventures. Additionally, they also invest in various community projects and provide financial support to charities. The most famous entrepreneurs who have made a huge social impact are Bill Gates, Azim Premji, Warren Buffet, and Manoj Padaiyachi.

3-Boosts the economy-

When new products and services are introduced in the market through entrepreneurship, a cascading effect takes place. This causes related businesses and sectors an opportunity to grow, thereby boosting economic development. For example, in the 1990s, just a few information technology companies comprised of the entire IT industry in India. However, the industry quickly expanded, which not only benefited the IT industry, but other sectors as well, like call center operations, network maintenance companies, and hardware providers. Moreover, education and training institutes too flourished as they launched a new class for IT workers, who could attain higher-paying jobs after completing these classes.

Hence, entrepreneurship not only benefits the sector but the multiple sectors, which in turn leads to the growth of the economy. Moreover, in a developing country like India, further developments require robust logistics support, capital investment, and qualified workers. So, there is no shortage of opportunities for budding entrepreneurs, who can provide employment for not just a qualified programmer, but to a construction worker as well.

4-Increases the standard of living-

The definition of the standard of living concept is the ability to consume an amount of a variety of goods and services by a household, which is gauged over a period of time. The more the number of goods the household is able to afford, the higher their standard of living. Through entrepreneurship, people get job opportunities, which increases their standard of living as they are more capable of consuming the available goods and services.

However, besides just individual earning, which also plays a huge role in increase the standard of living is the availability of diversified products in the market. Through innovation and a drive to launch something new, entrepreneurship provides the market with multiple new and improved products and services that can help improve their standard of life. Hence, there's no doubt that entrepreneurship increases the standard of living of the people of a country.

5-Encourages innovation-

There is no argument that innovation is the crux of entrepreneurship. No matter the industry, product or service, or market, without innovation and creativity, any entrepreneurial venture cannot be successful. Hence, with new ventures, products, technologies, markets, increased quality of goods, and others that is a product of innovation and entrepreneurship, the Gross Domestic Products increases considerably as it has a positive impact on the economy.

6-Motivation-

Motivation is the act of stimulating someone or oneself to get a desired course of action, to push the right button to get the desired results.

Motivating Factors-

1. Education background.
2. Occupational experience.
3. Family background.
4. Desire to work independently in manufacturing line.
5. Assistance from financial institution.
6. Availability of technology.
7. Other factor.

Entrepreneurship is Promoted with the Aim of —

- Alleviating the problem of unemployment.
- Overcoming the problem of stagnation.

- Increasing the competitiveness and growth of business and industries.
- Enhance the entrepreneurial objective and accommodate more people to become entrepreneurs as well.

Role of Educational Institutions in Development of Entrepreneurship-

1. Institution provides guidance.
2. Institutions allow for routines to develop and ultimately reduce the uncertainty of social interaction.
3. The B-schools are the most appropriate nursery for shaping and developing management graduates for entrepreneurship who possess integrity and ethical standards, a deep sense of social responsibility, a commitment to the upliftment of their communities, understand protection and sustainability of the environment, and the improvement of the people's quality of life.
4. The educational institutions play a vital role in development of entrepreneurial skills through various courses, training and development.
5. Educational institutions organize short term or long term programs, requiring graduation or not by an individual.
6. Institutions help the individuals with motivational training.
7. Individuals are encouraged by the course structure and activity based program by the institutions to identify, develop and sharpen their skills and competencies.
8. Case studies prepared by the educational institution help the individuals to learn, formulate their strategies, link themselves and be encouraged by their role models, which provide a positive motivation.
9. Educational institutions provide a platform for individuals to nurture their creativity and innovations.
10. Educational institutions play an important role both in financial and technical assistance to the individuals through guides, mentors and consultants.
11. Educational institutions impart communication skills for better social interaction and faster personality development for an effective personality creation, through various programs.
12. Business schools create a business in-house experience for new entrepreneurs to develop their ideas into a business plan and thereby stimulate the experience of working in a start up.
13. **The Entrepreneurial Development Institute of India (EDI)**, which operates under the Government of India at designated locations, offers post graduate programs/diploma courses in business entrepreneurship, management, NGO management, etc. It also provides program for working professional with flexible schedules and a distance learning option for those unable to attend campus programs.
14. **The National Entrepreneurship Network (NEN)** designed a game called Rs. 50 Exercise for the classroom of certain schools. The students are given an initial investment amount of Rs.50. They have to work in teams and come up with ideas to start a virtual company. By the end

of the day they observe their earnings and also gain from the learning through an innovative exercise.

Indian Startup Ecosystem

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A startup ecosystem comprises of many people , where they interact as a system for doing things very quickly ,with few resources. Goal of startups is to develop a profitable business model . Young entrepreneurs are ready to take their future in their own hands , and they are rocking the startup ecosystem through their modern , trendy , creative as well as innovative ideas.

According to the Economic Survey for 2018 — 19 , India has been ranked 3rd in the global startup ecosystem. The Indian startup ecosystem began with software service startups fulfilling Indian software needs and later expanded to exporting software services.

Over the last decade, many Indian startups have developed forward — looking solutions ,shattering industries and taking on established people across the globe ,still this trend is in continuation.

Development

Principles-

- 1-Only those things can be developed which can be understood. 2- Only those things can be improved which can be measured.
- 3-Only by sharing things, making them visible and available can those become commons. 4- Resources can be dispersed if things are shared and being worked on together.
- 5-Things which are in shared use can be developed and scaled together.

Need of Startup Ecosystem In India-

Startups are the centre of innovation and a great way to enhance creation of employment in the economy.

After China, India is growing towards becoming one of the worlds biggest markets. Income of the middle economy as well as rural economy both is on the path of growth.

Some Startup Schemes Launched By Indian Government-

- 1-Startup India Initiative
- 2-ASPIRE Scheme
- 3- MUDRA Bank
- 4-ATAL Innovation Mission
- 5-eBiz Portal .
- 6- Dairy Processing And Infrastructure Development Fund. 7-Multiplier Grants Scheme.
- 8-Credit Guarantee Scheme For Startups. 9-Software Technology Park Scheme.
- 10- The Venture Capital Assistance Scheme. 11-Single Point Registration Scheme.

Role of Educational Institutions in Promoting Startup Ecosystem -

Entrepreneurship education has been encouraged in India to promote self employment and founding of small and medium enterprises. Institutions have a strong impact on the growth and development of new business . Research and educational organizations play a crucial role in fostering entrepreneurship ,especially in the early stages of development. Experts from different institutions such as - universities , faculties ,institutes could provide a functioning and efficient platform for startup operating.The government is promoting different-different schemes and programmes to increase the number of people being benefited by these . India seems to move forward towards the era of entrepreneurship. It is expected positively to raise Indias level equal to the successful startups as of USAs in the next 10 years.

Conclusion

Entrepreneurs are instrumental for structural transformation. They create and organize new firms and hire workers with a minimum level of human capital. Entrepreneurs encourage workers to invest in their own education in order to move into the modern production sector. Better institutions lead to less income diversion, which creates a greater supply of entrepreneurs, a larger demand for human capital, and faster structural transformation. Education policy alone is not as effective, although it, too, raises the number of entrepreneurs. Encouraging entrepreneurs to start new businesses is a priority for any government and is only increasing in importance as nations look to grow, become self-reliant, and overcome economic uncertainty. These are multi- dimensional objectives that can be fulfilled by promoting entrepreneurship in any economy.

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