

Role of Entrepreneurial Education for the Promotion of Employability and Entrepreneurship

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Abstract

Education and employment have direct bearing on economic empowerment. An entrepreneurial culture drives creation of wealth from knowledge and generates impetus for further innovation. Entrepreneurship, in turn, helps generate new jobs in the economy, and creates a culture of independence, risk-taking and confidence, more so amongst the emerging educated groups. A dynamic entrepreneurial environment is supported by a energetic academic culture with innovation. Economists today believe that factors like the institutional environment, infrastructure, health and primary education, higher education and training, market efficiency, technological readiness, business sophistication, and innovation are the key drivers of budding entrepreneurship. Therefore, the present study analyses the role of entrepreneurial education in fostering entrepreneurship and the employability.

Key words : Education, Innovation, Entrepreneurship.

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1. Introduction

“Future is not about pedigree, It is not about financial strength, Future is about Innovation and how nimble you are”

--**N.R.Narayana Murthy**, Indian IT industrialist and the co-founder of Infosys

Education is an essential element of entrepreneurship. Formal education is positively correlated with entrepreneurship. Entrepreneurial education is one of the best ways to support growth and generate jobs. New businesses are the single biggest source of new jobs in any country and education, to be sure, helps create businesses. Education is an important factor in determining the entrepreneurial orientation in individuals. Education and training can have definite role in enhancing entrepreneurship in the context of a developing country like India by enlarging the pool of entrepreneurs. According to recent research, 78 % of entrepreneurship education alumni were employed directly after graduating university, compared to just 59 % of a control group of higher education students. Entrepreneurship is a multi-faceted phenomenon. In simple words, we define an entrepreneur as “an individual who establishes and manages a business for profit and growth.” Entrepreneurs do entrepreneurship. Entrepreneurship is more than mere creation of business. It is a dynamic

process of vision, change, and creation. It requires an application of energy and passion towards the creation and implementation of new ideas and creative solutions.

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.

2. Review of Literature

Education has been recognized as an essential agent of social change and development in any society of any country. The literature on the Education, Innovation and Entrepreneurship development has been reviewed and presented below.

Mukut Kr.Sonowal (2013) found that modern education and facilities have influenced much in women empowerment. Moreover, women of SC, ST communities living in village areas are more lagging behind in comparison to general women. On the other hand they do not think about the rural development without empowering the women. There is continued inequality and vulnerability of women in all sectors – Economic, Social, Political, Educational, Health-Care, Nutrition, Right and Legal etc. Education is the key factor for women empowerment and rural development. Deepti Agarwal (1998) discussed from developing countries as well as western development planners look upon education as one of the most important instruments for social and economic development and modernization. Desired changes in literacy levels, attitudes, value and skills are to be implemented with the help of education. Zimmerer et al., (2005) noted that youth entrepreneurial development is on the increase in the recent times across the globe. This, therefore suggests that government must try as much as possible to rally round to teach the youths how to build and develop business of their own. It is also observed that the government has started to instill an entrepreneurial spirit among the young generation of Malaysia. Peter Nijkamp (2009) highlighted that the human capital and knowledge capital is very important to productive contributions by R&D and education, reflected in patents, concessions, and local spin-offs. Bechard and Toulouse (1991) draw on a framework from the educational sciences to contrast four educative orientations. Three of these, conformist, adaptive and transformative, are pedagogical approaches which focus on course content. The alternative orientation, as an androgical approach, emphasises process. The authors suggest that, unfortunately, the pedagogical model is the dominant model in entrepreneurship courses and recommend a transition to the alternative orientation.

There are many factors that can motivate an entrepreneur to start their employment or to grow a business. In most cases, the reasons originate in the entrepreneur's personal circumstances and behavior, or possibly in his or her education. Hence, the present study on "Role of Entrepreneurial Education for the Promotion of Employability and Entrepreneurship", which is one such.

3. Objectives of the Study

The present paper mainly confined to achieve the under given objectives :

- 1) To study the evolution of entrepreneurship education in India.
- 2) To study the importance of entrepreneurship education and its link with entrepreneurs for the development of employment or to grow a business.
- 3) To study the challenges faced by entrepreneurship education in India.
- 4) To suggest measures for developing entrepreneurship education in India.

4. Methodology in the Study

Accessibility to qualitative employment, *inter alia*, depends on level and quality of education. The persons with illiterates and/or literates at lower levels are more likely to get casual/contractual, lowly paid dead-end jobs. Generally speaking, employment can be classified into three categories, namely, self-employment, regular employment and casual wage paid employment. The quality of employment in the first two categories is relatively more productive, non-exploitative, better paid as compared to the last category in which the employment is casual/contractual, exploitative and lowly paid. The proportion of workers in casual\contractual employment can be taken to mean the level of employment quality. The success of the economy mainly depends on entrepreneurial quality, competence and performance. Development of sound entrepreneurship education is an index of a country's industrial development as well as the overall economic development. India has to find, nourish and develop competent entrepreneurship through entrepreneurship education. The research design adopted in this study is exploratory. The study has collected from the secondary sources such as books, journals, published reports, projects and internet etc.,.

Evolution of Entrepreneurship Education

India has a pioneering status among developing countries for its early start on a variety of entrepreneurship education programs. For the most part, entrepreneurship education in post-independence India has been focused on measures designed to encourage self-employment and founding of Small and Medium Enterprises (SMEs). 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. Some of the institutions delivering such programs were:

1. Industrial estates and in common service facilities (like tool rooms)
2. Training and counseling institutions (NISIET, SISI, TCOs, EDI)
3. Financial institutions like SBI, IDBI, TDICI, RCTC, etc.
4. Development boards (STEPs, EDCs, TBIs)

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. 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. Success stories, especially in

the IT sector, were viewed by entrepreneurs as role models. The past two decades have witnessed the entry of industry associations, NGOs, consultants and voluntary organizations into the entrepreneurship education space.

Importance of Entrepreneurship Education

In the words of **Indira Gandhi**, “Education is a liberating force and in our age it is also a democratizing force, cutting across the barriers of caste and class, but inequalities imposed birth and other circumstances”. Thus, education widens the horizons and helps us to set out perspectives in right direction.

NKC defines it as ‘Entrepreneurship is the professional application of knowledge, skills and competencies and/or of monetizing a new idea, by an individual or a set of people by launching an enterprise *de novo* or diversifying from an existing one (distinct from seeking self employment as in a profession or trade), thus to pursue growth while generating wealth, employment and social good’ (National Knowledge Commission, 2008).

The role of higher education in entrepreneurship goes far beyond classroom teaching and incorporates participation in business ecosystems, partnerships and industrial alliances. With high-tech and high-growth enterprises becoming a focal point of entrepreneurship-related public policies, higher education institutions are an essential component of for innovation policies. Thus, in order to exploit the potential of entrepreneurship education and promote the Entrepreneurship 2020 Action Plan.

The Entrepreneurship 2020 Action Plan is built on three main pillars:

- i) Entrepreneurial education and training
- ii) Creation of an environment where entrepreneurs can flourish and grow, and
- iii) Developing role models and reaching out to specific groups whose entrepreneurial potential is not being tapped to its fullest extent or who are not reached by traditional outreach for business support.

Entrepreneurship is now introduced as a subject in postgraduate courses at engineering, management, and technical and non-technical institutions. These courses approach entrepreneurship like other academic subjects, as if it were based on a settled body of knowledge. Entrepreneurship has long been a subject in postgraduate courses in the Indian Institutes of Management (IIM), Indian Institutes of Technology (IIT), and other engineering institutes in India. Some business management schools have introduced entrepreneurship to impart subject knowledge. Commerce departments of some universities have also introduced entrepreneurship as one of the subjects in their postgraduate courses. Technical institutions like polytechnics and industrial technical institutes (ITIs) are teaching entrepreneurship.

Entrepreneurship is more than mere creation of business. It is a dynamic process of vision, change, and creation. It requires an application of energy and passion towards the creation and implementation of new ideas and creative solutions. Entrepreneurs are people who turn dreams to reality. They supply goods and services, which increase the standard of living of the entire population substantially. They are wealth creators. This self-created wealth insulates the economy from recession and helps strengthen local economy. Global

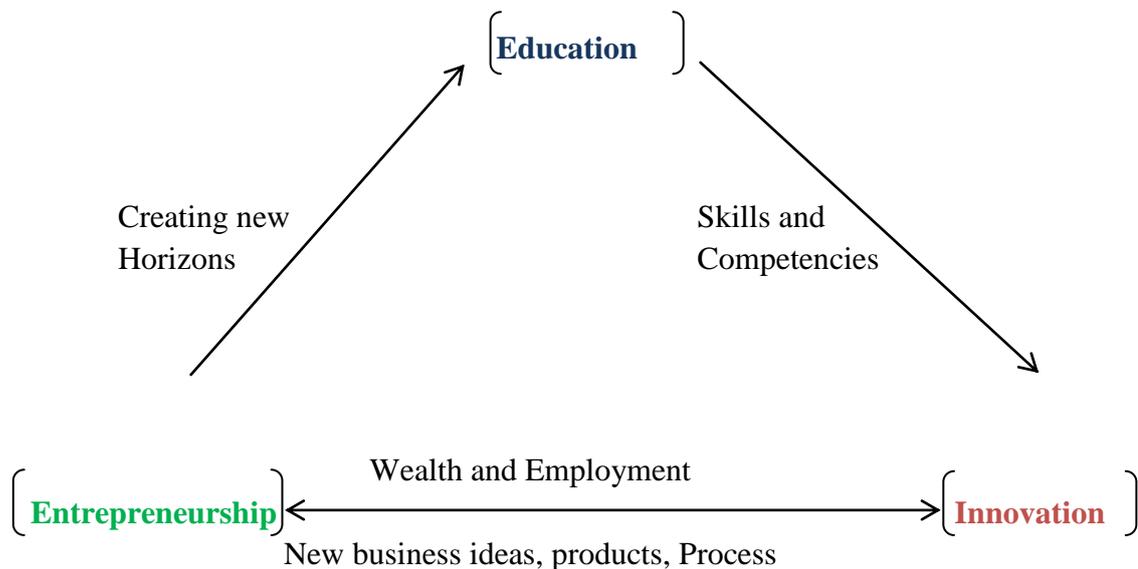
downturns will not affect the economy, as much as it would have in other circumstances. According to ‘Special Report: A Global Perspective on Entrepreneurship Education and Training’, GEM, 2008, Entrepreneurship education is defined in broad terms as the building of knowledge and skills for the purpose of entrepreneurship generally, as part of recognized education programs at primary, secondary or tertiary-level educational institutions.

An environment where entrepreneurship can prosper and where entrepreneurs can try new ideas and empower others needs to be ensured. Education needs to address the development of skills required to generate an entrepreneurial mindset and to prepare future leaders for solving more complex, interlinked and fast-changing problems. Education needs to come back to the top of the priorities of governments and the private sector and be seen as the fundamental mechanism for attaining sustainable economic development and societal progress.

Interlinking Education, Innovation and Entrepreneurship

Education is indispensable for skill development and fundamental to Entrepreneurship and innovation. The ability to innovate and generate commercially valuable new products and processes can only take place in environments that encourage experimentation and value addition. Synergies between Education (including modern vocational education training/skill development), Innovation (converting ideas into wealth and employment) and Entrepreneurship should be encouraged.

Fig : Interlinking Education, Innovation and Entrepreneurship



Source : National Knowledge Commission Report, 2009.

Innovation catalyzes Entrepreneurship by providing ideas that can be converted into wealth (through goods and services). Innovation helps reveal market opportunities for Entrepreneurship to develop and flourish. Innovations are not limited to those involving high-end technology alone. Any new idea that generates commercial value is by itself the spur for a new entrepreneur to plan a venture. To quote the economist, T. N. Srinivasan, ‘Innovation and Entrepreneurship is a two-way relationship. In one sense, in innovation, someone finds something but that somebody may not be equipped to translate that something into a commercial proposition. That is where Entrepreneurship comes in’.

An entrepreneurial culture drives creation of wealth from knowledge and generates impetus for further innovation. Entrepreneurship, in turn, helps generate new jobs in the economy, and creates a culture of independence, risk-taking and confidence, more so amongst the for the purposes of its Innovation study. Growing the pool of skilled people is a key priority. This entirely depends upon access to quality education. The key challenges in higher education relate to ensuring access, inclusiveness and excellence. In Vocational Education and Training (VET) there is need to completely overhaul and modernize current institutions and practices. Reforms in VET require innovative delivery models, providing incentives for states, ensuring performance-based training and assessment, re-branding, certification, encouraging learning-by-doing, incentivizing English speaking skills, ensuring flexibility of VET alongside the higher education stream, for easier crossover and choice, as critical success factors.

There are a number of websites relating to Entrepreneurship in India. In this regard, to explore the possibility of having an all encompassing website on Entrepreneurship as a one-stop information portal for current and aspiring entrepreneurs. In addition, Entrepreneurship in India will also grow significantly with the spread of e-governance and quality infrastructure development.

5. Challenges facing an Entrepreneurship Education :

The present entrepreneurship education in India just concentrates on courses which are similar to the general business courses. The significant challenges faced by entrepreneurship education in India are given below:

- Starting a business in India is difficulty and also expensive in terms of the time, and the cost.
- NKC has expressly stated that the crucial challenge is to find ways of ensuring expansion, excellence and inclusiveness in higher education.
- The absence of an appropriate entrepreneurial culture and climate, the lack of required infrastructure facilities, and the lack of access to relevant technology hinder rapid industrial development.
- A survey done by the Entrepreneurship Development Institute, India (EDII) in 2003 shows that young people are afraid to start their own business because they are not confident, not capable, and lack of knowledge in starting a business.

- Finding sustainable and workable models for continuous innovation driven Entrepreneurship.
- Higher degree of dependence on government is another challenge before entrepreneurship education in India.

6. Suggestions

- To boost up an entrepreneurial training for young people and adults with resources which support national job plans, particularly as a tool for second-chance education for those not engaged in education, employment or training;
- To promote entrepreneurial learning modules for young people participating in national Youth Guarantee schemes.
- To improve in education methodologies by latest innovative delivery models, re-branding, improving certification and monitoring as well as increasing flexibility of VET with the school and higher education streams.
- Collaborate with the Organisation for Economic Cooperation and Development to establish a guidance framework to encourage the development of entrepreneurial schools;
- To offer the youth at least one practical entrepreneurial experience before leaving compulsory education, such as running a mini-company or being responsible for an entrepreneurial project for a company or a social project.
- The Universities should create a strong network of entrepreneurs and managers that entrepreneurs could draw on for advice and support to the students.
- The Universities should take steps to encourage research in entrepreneurship through fellowship support and also undertake joint research projects with Indian and overseas universities and institutions.

7. Conclusion

Generating a critical mass of entrepreneurs oriented to high levels of growth depends on the quality of education provided and the presence of an environment that encourages innovation. Three interconnected areas provide possibilities for mutually beneficial synergies through the flow of ideas and wealth, which could generate high level of dynamism. These are: Education (especially, quality vocational training and skill development), Innovation (generating commercial value through new and improved ideas) and Entrepreneurship. Together, these are the cornerstones of inclusive and sustainable growth.

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