

THE ROLE OF EDUCATIONAL INSTITUTIONS IN FOSTERING ENTREPRENEURSHIP EDUCATION IN INDIA

Dr.G.Yoganandan

Associate Professor,PRIMS(Periyar Institute of management Studies), Periyaruniversity, Salem-11

Mrs.M.Radha

Research Scholar,PRIMS(Periyar Institute of management Studies), Periyaruniversity, Salem-11

Abstract - In Today's economy, Education and employment are the two sides of the coins to lead a life. Unemployment is the major problem for youngster in India. This means that efforts need to be taken to make sure that today students must develop entrepreneurial skills and get the chance to have a 'practical entrepreneurial experience' through education. To support productivity and growth in India, it is essential to invest in education and training. India needs creative and innovative entrepreneurs; and it needs a flexible and resilient work force well equipped with the necessary skills and key competences. It can help students to achieve entrepreneurial learning outcomes - concrete knowledge, skills and attitudes. We should take initiatives and training to impart a entrepreneurial skills through education to overcome the unemployment levels in our nation. Education teaches them how to identify the business opportunities and do a business globally. Government have to invest more resource to turn India as "Education Hub". This study reveals the importance of Entrepreneurial education in India and how it should be imparted or inculcated in the minds of the budding entrepreneurs.

Keywords: Educational Institutions , Entrepreneurs , Entrepreneurial Education and Innovative skills.

Introduction

Entrepreneur, Entrepreneurship, and Entrepreneurship Education

The definition of entrepreneurship has been debated among scholars, educators, researchers, and policy makers since the concept was first established in the early 1700's. The term "entrepreneurship" comes from the French verb "entreprendre" and the German word "unternehmen", both means to "undertake". Bygrave and Hofer in 1891 defined the entrepreneurial process as 'involving all the functions, activities, and actions associated with perceiving of opportunities and creation of organizations to pursue them'. There has never been a definite answer to the question of whether entrepreneurship can be taught (Harrison, 2014). As part of the new strategy for job creation, entrepreneurship education holds promise as an integral component in a community's venture support system along with incubators, innovation centers, technology transfer offices, science parks, and venture capital operations (Deshpande & Nandini, 2011). In the 1990s, India exerted greater effort to promote and nurture entrepreneurship. Attempts at various levels have taken place to directly or indirectly promote entrepreneurship. There is a greater supply of potential entrepreneurs in society than what is now being produced by the education system. Whether this nation or any other will be able to solve its economic and social problems will depend on the availability of a continued and increasing stream of creative talent (Ananthan & Arokiasamy, 2011). The attempts fall under three main categories: removal of state-imposed barriers for starting businesses; availability of finances; education and nurturing.

First, entrepreneurship has been encouraged in India by systematic attempts at removal of state-imposed structural and regulatory roadblocks. The granting of licenses and policies on controls and taxation has been cited as one of the major hurdles in setting up and running new businesses. More progressive governments have tried to make it easier for entrepreneurs to set up businesses. The growth of Bangalore and Hyderabad as hubs for IT companies is a direct outcome of government support in the form of tax holidays for start-ups and sector-region specific sops to start new ventures.

Second, there are attempts to make finances available to businesses. In the current banking paradigm, it is easy for an established businessperson to get loans for starting new ventures or expand current businesses. However, a new entrepreneur wishing to start a new business finds it very difficult to procure basic funds to set up and run a business. The Reserve Bank of India has urged banks to provide funds to small and new businesses. The government of India is also increasing its efforts in this direction.

A third form of support is the development of entrepreneurial talent in educational institutions. India's higher education system generates a large number of graduates every year. However, its economy is not in a position to absorb the graduates passing out, leading to increase in the educated unemployed. In recent years, India's population has grown very fast. Because of the history of India and its multi-cultural composition, it seems impossible to have a Family Planning policy like that of China in the near future. It is likely that India's population will continue to grow, which will consequently worsen the employment situation. In India, most entrepreneurs were single owners, nil employee, and one-person shows with little growth prospects. The so-called entrepreneurs do business mainly for self-employment and are not the "real" entrepreneurs.

Exposure to real-world entrepreneurs is likely to support the transfer of tacit knowledge between entrepreneurs and students (Liithji & Franke, 2002). In order to catch up with the pace of developed countries, India needs many entrepreneurs willing to make their businesses bigger. If the university students with high

entrepreneurial potentials get proper training, they will have the best prospects for becoming “real” entrepreneurs. Entrepreneurship is a matter that involves everyone—the government, society, and the educational institutions.

Indeed, entrepreneurship education has truly earned a global status for itself, given that it is now pursued with equal passion even in the developing countries (Arthur, 2012). If Entrepreneurship Education (EE) in India’s higher education system cannot completely address major obstacles in the pursuit of national economic development and employment at least it can offer a start. Therefore learning institutions at all levels are under increasing pressure from government agencies, the public and even students to develop a model of entrepreneurial education that will enhance the spirit of entrepreneurial skills and help us to promote the businesses.

Is Entrepreneurship a Necessity in Today’s Economy? Why?

Entrepreneurial education is recognized worldwide as being critical in facilitating economic growth which in turn is essential for addressing unemployment. Investing in entrepreneurial development can create jobs and stimulate productivity. Entrepreneurial education requires investing time and capital. It summarizes the importance of entrepreneurship in the following four advantages: advancement of economic prosperity, combating unemployment, improved future perspectives and the advancement of own initiatives (Mare, 1996). The establishment of new ventures through entrepreneurship fuels economic prosperity and leads to job creation that will combat unemployment. In addition, the prospect of establishing a new venture provides alternatives to job seeking individuals and could enhance creativity and innovation through the advancement of their own initiatives.

Entrepreneurism also helps the economy by creating wealth for many individuals seeking business opportunities. Although this is not the number one reason individuals pursue entrepreneur activities, it plays a major role in our economy. Both a new business and the wealth the owner can obtain will help boost the economy by providing new products as well as the spending power created for the entrepreneur. Without entrepreneurs, our economy would not benefit from the boost they give from added business and ideas.

Entrepreneurial Education Ecosystem

Promoting student innovation and entrepreneurship

Colleges and universities are investing heavily in the development of their students’ entrepreneurial skills. While many students dream of starting the next Facebook or Twitter (both of which were started by students), universities are more focused on the pedagogical value of entrepreneurship as a set of skills that can be applied across professional environments and activities to supplement the students’ classroom experience. Universities are investing both in formal programs as well as in extra-curricular activities to channel students’ interest in solving global problems through entrepreneurship. Examples of formal programs include degrees and certificates in entrepreneurship, while examples of extra-curricular activities include business plan contests, entrepreneurship clubs, and startup internships. 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 (Kishore, 2014). Many universities are even experimenting with on-campus accelerators, entrepreneurial dorms, and student venture funds. At the very least, these activities provide critical organizational skills to students, and at the very best, may create the next great university spinoff. A framework for building this effective entrepreneurship education ecosystem is surely the need of the hour and it requires a greater focus on knowledge creation to support the framework (Basu, 2014)

Encouraging faculty innovation and entrepreneurship

Faculty and doctoral graduate students conduct the research powering many of the innovations that spawn high-growth startups. However, even at our nation’s most entrepreneurial universities, many faculty and graduate students do not always consider the market and societal relevance of their research. To address this issue, universities are putting in place a series of policy changes to encourage more faculty entrepreneurship, which in turn will complement the student entrepreneurship. Youth entrepreneurial development is on the increase in the recent times across the globe (Zimmerer, 2005). These changes include greater recognition of faculty entrepreneurs, integrating entrepreneurship into the faculty tenure and selection process, and increasing faculty connections to outside partners – through externships, engagement with business, and targeted resources for startup creation. Finally, universities are actively working with federal agencies to address some of the regulatory challenges around faculty entrepreneurship, in particular, those related to conflict of interest and national security issues (Innovative and Entrepreneur in Higher Education, 2013)

Facilitating University-Industry Collaboration

Businesses and industry benefit greatly from university research and innovation. Universities are constantly looking for ways to connect their research and students’ education to emerging industry interests. In recent years, universities have put greater emphasis on supporting startup companies, while continuing to engage established companies that have traditionally been their licensing partners. Entrepreneurship as a domain of business education has an eclectic nature where the content is derived from diverse disciplines including those

of strategy, finance, or marketing (Albornoz-Pardo, 2013). To facilitate greater collaboration and innovation, universities are opening up their facilities, faculty, and students to businesses (small and large) in the hopes of creating greater economic value. Universities are strategically partnering with companies, offering internships and externships, sharing facilities with startups, such as accelerators, and creating venture funds and incentive programs funded by industry, all of which drive increased innovation and product development by university students, faculty, and staff.

Engaging with regional and local economic development efforts

Historically, local economic development has been an important mission of the nation's large universities. Many of America's leading universities, particularly land-grant universities, have always felt a strong responsibility for the betterment of their surrounding communities. These days, universities are increasingly focusing on innovation and entrepreneurship as key contributors to the growth and success of local communities. Universities are requesting the federal government to include commercialization and innovation-driven economic development in their grant programs. Foster a sense of belongingness among the faculty members by arranging academic and non academic (cultural) forums (Yoganandan & Sowndarya, 2015). In addition, regional economic development planning now often starts with an assessment of a local university's research strengths. In turn, universities are seeking partners to supplement their strengths and overcome their weaknesses through partnerships with community colleges, non-profit economic development agencies, governments, and entrepreneurship groups. Most of the Institutes are having their link with Global Development Forums.

Conclusion

Entrepreneurship Education in India plays a vital role in the development of an economy. Education sector have a significant role to play in the growth of India, because they are breeding grounds for entrepreneurs. They have the potential to develop not only winning qualities but also provide an opportunity to create employment for self and for others. Entrepreneurial Education helps in increasing knowledge base, by identifying opportunities, and by pointing out ways to overcome barriers imposed by ones environment. Educational institutions would create incubators for students to expose their excellence and skills in developing their business. Government should make Entrepreneurial Education as a integral part of curriculum from the school level itself. and also have their participation by sponsoring funds for the institutions to invest in the Research and development. Therefore, Indian Govt should take appropriate measures to promote and develop entrepreneurial education in India.

References

1. Albornoz-Pardo. (2013). Is Business Creation the Mean or the End of Entrepreneurship Education? *Journal of Technology Management & Innovation*, 8 (1), 1-10.
2. Ananthan, & Arokiasamy, A. (2011). The Role of Higher Education in Entrepreneurship in Malaysia. *International Journal of Environment Science*, 1 (5), 528.
3. Arthur, E. (2012). The importance of Education in Entrepreneurship Process. *Journal of Small Business and Entrepreneur Development*, 19 (3).
4. Basu, R. (2014, August). Entrepreneurship Education In India. *Technology Management Review* .
5. Bolton. (1986). Entrepreneurship & Technology :World experiences and policies.
6. Deshpande, & Nandini, M. (2011). A Role on fostering Entrepreneurship in Educational Institutions in India. *International Journal of Higher Education*, 2 (2).
7. Harrison, J. (2014). Can you really Teach Entrepreneurship?
8. Innovative and Entrepreneur in Higher Education. (2013). *U.S Department of Commerce* .
9. Kishore, S. (2014, May 6th). Role of Entrepreneurial Education for the Promotion of Employability and Entrepreneurship. *Acme Intellects International Journal of Research in Management, Social Sciences & Technology* , 7.
10. Liithji, & Franke. (2002). Fostering Entrepreneurship Through Entrepreneurship Education and Training. *Innovative Research in Management* , 123.
11. Liyan, Z. (2004). Entrepreneurship Education within India's higher education.
12. Mare. (1996). *A Manual for Entrepreneurship*.
13. Robinson, & Sexton. (1994). The Effect of Education and Experience on Self employment Success. *Journal of Business Venture* , 141-157.
14. Yoganandan, & Sowndarya. (2015). A Study on Job Satisfaction in Self -financing & Government Colleges in Namakkal District. *International Journal of Research*, 2 (3).
15. Zimmerer. (2005). *Essentials of Entrepreneurship and Small Buiness Management* (4th ed.). Pearson Prentice Hall.