

A Theoretical Review of Universities and Colleges in Fostering Entrepreneurship

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ABSRTACT

Entrepreneurship education is very important to the educated youth. However, educated youth of rural areas continuously migrate to towns and cities in search of jobs and also day by day the number of educated unemployed has been increasing. Moreover, those who have left the educational institutions may not get the reasonable remunerative job. Therefore, the educational institutions should adopt entrepreneurship educational strategies for promoting self - reliance among the students and persuade them with innovative ideas, new ventures and new techniques to match the global challenges in the contest of new demand. There is a need of the hour to washing out the old methods of teaching entrepreneurship education. The new teaching methods of entrepreneurship education aspires the students to become entrepreneurs. Thus, this paper focus on the need of entrepreneurship education teaching methods should induce the students to become entrepreneurs in India. Universities and colleges all across the world are increasingly trying to become more entrepreneurial, in order to stay competitive, generate new sources of income through licensing or contract research, and follow policy guidelines from governments. One of the entrepreneurial activities is the fostering of entrepreneurship among students through entrepreneurship education. However, there is no established theory on how to foster entrepreneurship effectively. This study is intended to understand the role performed by the universities and colleges for the entrepreneurial development of the students.

Keywords: Entrepreneurship education, Universities and Colleges

1. INTRODUCTION

Entrepreneurship has become one of the most important drivers of the global economy, as it creates new jobs and it sparks innovation. In the last three decades, policymakers worldwide started to realize the importance of stimulating entrepreneurship within the regional economy. It is understood that universities play an important role in the regional entrepreneurial climate. As institutes focused on creating new inventions and knowledge, they serve as an important input for knowledge and innovation exploited by new ventures. Universities and regional governments in all regions of the world try to create highly innovative science parks where young entrepreneurs lead innovation and, ultimately, economic growth. A universities and colleges has several initiatives at its disposal in order to stimulate and facilitate innovative entrepreneurship. Among such initiatives are: education in entrepreneurship, hosting business plan competitions, setting up technology incubators and technology transfer offices, and appointing chairs for entrepreneurship. Universities worldwide employ a combination of these initiatives in order to create an attractive entrepreneurial climate. However, the result is not always as successful.

2. OBJECTIVES

- To study the role of universities and colleges in developing entrepreneurial growth of students.
- To study the step taken by the universities in inculcating entrepreneurial skills through curriculum.
- To study the step taken by the colleges in encouraging the students to take up entrepreneurship as their career option.

3. REVIEW OF LITERATURE

The term entrepreneurship education is used interchangeably with entrepreneurship training and skill acquisition. Entrepreneurship education is a learning process that imbibes in the learners/students traits and competencies such as team spirit, leadership, problem solving, negotiation skills, self-direction and self-management, unlike the traditional stereotype education, which places less attention on skills and practical needs of the world of work (Gabadeen and Raimi, 2012). Entrepreneurship education includes all activities aiming to foster entrepreneurial mindsets, attitudes and skills and covering a range of aspects such as idea, generation, start -up, growth and innovation (Fayolle et al., 2009). Entrepreneurship education was pioneered by Shigeru Fij II, who started teaching in this field in 1938 at Kobe University in Japan. Courses in small business management began to emerge in the 1940s and in 1947 Myles Mace introduced the first course in entrepreneurship in USA at Harvard Business School.

4. IMPORTANCE OF ENTREPRENEURSHIP DEVELOPMENT

1. CREATION OF EMPLOYMENT OPPORTUNITIES

Unemployment is one of the most important problems confronting developing and underdevelopment countries. With the setting up of more and more units by entrepreneurs, both on small and large scale, numerous job opportunities are created for the others. Thus entrepreneur can play an effective role in reducing the problem of unemployment.

2. CAPITAL FORMATION

Entrepreneur mobilizes idle savings of the public and put them to productive use. In this way he helps in capital formation, which is so essential for the industrial and economic development of a country.

3. BALANCED REGIONAL DEVELOPMENT

Entrepreneurs feel like taking advantage of the various concessions and subsidies offered by the state and central government. Success story of entrepreneurs set right example for others to follow and this accelerates the pace of industrialization in the backward areas. Setting up of more units leads to more development of backward areas and balanced regional development.

4. USE OF LOCAL RESOURCES

Alert entrepreneurs seize the opportunity and exploit it in the best interests of the area and industry. Untapped resources are optimally utilized by the entrepreneurs.

5. IMPROVEMENT IN PER CAPITAL INCOME

More enterprises will lead to more production, employment and generation of wealth in the form of goods and services. It will result in the increase in the overall productivity and per capita income in the country.

6. IMPROVEMENT IN THE STANDARD OF LIVING

Entrepreneurs by adopting latest innovations help in the production of wide variety of goods & services. By making efficient use of the resources, they start producing more of better quality and that too at lower costs. This enable them to ensure easy availability of better quality products at lower prices to the consumers which result in the improvement in the standard of living of the people.

7. ECONOMIC INDEPENDENCE

Entrepreneurs enable a country to produce wide variety of better quality goods & services and that too at competitive prices. They develop substitutes of the goods being imported and thus prevent over-dependence on foreign countries and at the same time help in the saving of precious foreign exchange. Export promotion and import substitution thus help in promoting economic independence of the economy.

8. PREVENTING INDUSTRIAL SLUMS

Industrially developed areas are faced with problem of industrial slums, which result in over burdening of civic amenities and adverse impact on the health of people. Dispersal of industries can help in the overcoming of this grave problem.

9. REDUCING SOCIAL TENSION

Unemployment amongst the people is emerging as the major cause of social unrest. Entrepreneurial activities results in generation of self-employment and prevention of social tension, unrest etc.

10. FACILITATING OVERALL DEVELOPMENT

An entrepreneur acts as a catalytic agent for change which results in chain reaction. With the setting up of an enterprise the process of industrialization is set in motion. Moreover success of one entrepreneur sets the right type of example for others to follow. Entrepreneurs, thus, create an environment of enthusiasm and convey a sense of purpose. This gives future impetus to the overall development of that area.

MYTHS ABOUT ENTREPRENEURSHIP

- Entrepreneurship cannot be taught.
- Entrepreneurship requires lot of money.
- Outstanding and Academically brilliant students only can become entrepreneurs.
- MBA programmes can develop entrepreneurs.
- Existing courses and institutions can develop entrepreneurs.
- Entrepreneurship can be taught like other subjects in MBA curriculum.

- Books in Entrepreneurship are sufficient to understand it.
- For teaching entrepreneurship – MBA professors are most suitable.
- By joining some entrepreneurship forums we can promote entrepreneurship.
- The government support can convert a person into entrepreneur.

ROLE OF UNIVERSITIES AND COLLEGES IN FOSTERING ENTREPRENEURIAL DEVELOPMENT

Greater emphasis has been laid down in the recent past on benefits of entrepreneurial-focused education at the universities, instilling the confidence in students to turn ideas into reality. These could be in the form of:

- Structured mentorship programs.
- Short courses or other forms of training.
- Incubators are also cropping up in India with more and more number of universities and autonomous organizations undertaking to set-up these within and outside the campus as well.
- The NS Raghavan centre for Entrepreneurial Learning in Indian Institute of Management (IIM) Bangalore has a management program designed for entrepreneurs and family businesses.
- The Indian School of Business in Hyderabad offers executive management and post graduate programs in entrepreneurship education.
- IIM-Bangalore is in the process of making entrepreneurship a compulsory course in the years to come.
- The Indian Institute of Technology (IIT) Madras incubation cell consists of alumni dedicated to providing funding along with the technical and business mentorship needed for a start-up to succeed and thrive.
- iCreate is an autonomous centre to facilitate a wide range of “Next Generation Entrepreneurship” in order to create a vibrant entrepreneurial ecosystem.
- S.P. Jain Institute of Management and Research has set-up a Centre for Entrepreneurship development with a view to promote student interest in entrepreneurship, facilitate new venture creation and commercialize grass-root inventions.

EMERGING TRENDS IN ENTREPRENEURIAL DEVELOPMENT THROUGH FACULTY-STUDENT COLLABORATION

Many faculty members across universities in India are now working with start-ups either independently or collaboratively with students and co-faculty members:

- Faculty members of IITs from across India, including Bombay, Delhi, Madras, Kharagpur and Hyderabad, are leading the trend of joint start-up collaboration.
- IIT Madras has so far incubated 19 companies where faculty is involved.
- 30 of the 89 tech start-ups spawned at IIT Madras have faculty members as founders or minority shareholders.
- About 40% of the incubated companies at Society for Innovation and Entrepreneurship (SINE), IIT Bombay are student-faculty projects.
- IIT Hyderabad has two successful start-ups which are joint ventures between students and faculty.

STEPS TAKEN BY GOVT. OF INDIA IN ENTREPRENEURIAL DEVELOPMENT AMONG THE STUDENTS

The Government of India has also been contributing significantly in order to promote entrepreneurial spirit within the students by way of **risk funding**.

- In order to push start-ups and SMEs, the Government of India has launched two new investment and loan programs with a combined budget allocation of INR 12,000 crore.
- The Finance Ministry of India has launched a new program “fund of funds” in order to invest in various venture capitalists funds for meeting the equity requirement of start-ups.
- The Ministry has also launched “India Aspiration fund” with an initial corpus of INR 200 crore in order to boost the entrepreneurial ecosystem within the country.

FRAMEWORK FOR AN EFFECTIVE ENTREPRENEURSHIP EDUCATION ECOSYSTEM

The proposed diamond framework is based on qualitative evidence and expert opinions, which presuppose that the initiation of entrepreneurship as a core course does have the potential to drive the development and promotion of an effective entrepreneurship education ecosystem, particularly among management students in India. Such initiation, apart from encouraging the practice of entrepreneurship in the short run, should push the overall knowledge abstraction based on research and practice pertaining to the specific emerging economies. Such knowledge creation should in turn add to the pedagogical wealth, thereby increasing the rigour and effectiveness of the course that should lead to further development of entrepreneurship as a core discipline. Over time, the framework is designed to work as a virtuous cycle with an inherent regenerative character. Developments in entrepreneurship, in theory as well as in practice, will fuel its growth. Given that more practice would mean more instances of introspection, adding to the existing knowledge base and simultaneous development of the theoretical precision should be automatic. The framework works at both ends by pushing entrepreneurial intentions and pulling higher levels of knowledge creation to support the needs of a core business course.

EMERGING TRENDS IN ENTREPRENEURIAL GROWTH IN INDIA

As per annual report 2015-16 , MSME has shown constant growth rate around 11% every year till 2010-11. The highest growth in recent time was recorded during 2011-12 (18.45%) whereas during year 2012-13 and 2013-14 growth rate was around 14% and 12%, respectively. But it jumped to 17% in 2014-15. However, recent data for 2015 i.e., from April-September, 2015 shown impressive growth of 18.74% (year-on-year growth). (Source: Annual report 2015-16 of MSME, Govt. of India)

SNAPSHOT

- Approximately, 3100 start-ups present in India, 3rd largest base in the world.
- 800+ start-ups setting up annually.
- By 2020 there would be roughly 11500 start-ups, employing over 250k employees.
- Approximately 300 VC/PE & 225 angel investment deals worth over USD 2 billion.
- Over 20 M & as worth USD 1 billion in last 3 years.

CHALLENGES FACED BY ENTREPRENEURIAL EDUCATION IN INDIA

- Polarization between passive and experiential learning. Passive modes of learning do not meet requirements of the real life.
- Most graduates do not possess necessary entrepreneurial skills even if they feel entrepreneurially ready.
- The majority of the entrepreneurship programmes lack contact with business world, Less than 1/3 of staff teaching entrepreneurship has practical experience in business.
- Entrepreneurial intentions are high, but not actions. The intentions in the developing countries are higher than in the developed ones.
- The gap between skills and jobs is widening.
- Economic and institutional frameworks are unfavourable to entrepreneurial activity.
- Embedding entrepreneurship and innovation, cross -disciplinary approaches and interactive teaching methods require new models, framework and paradigms.
- The results of entrepreneurship programmes are not immediate, since graduates' motivation and capabilities evolve overtime, hence, entrepreneurial intentions and the rate of graduate business creation are not the most suitable indicators to evaluate entrepreneurship education.

PRIMARY OBSTACLES IN TEACHING AND LEARNING ENTREPRENEURSHIP IN INDIA

- Lack of institutionalization
- Lack of indigenous experience
- Lack of trained teachers
- Short-term focus on results
- Limitations with pedagogy
- Subject not considered as core

11. SUGGESTIONS

- To redesign curriculum. To focus on learning through experience and reflection
- To target an individual's —know-how through interactive methodologies.
- To shift from —how to run a business to —how to develop a set of relevant competencies
- To change educational context: to take students out of the classroom into community and real business.
- To engage business through visits, role models, sharing experiences, student mini-companies with business mentors
- To train, enable and motivate educators to enhance entrepreneurial spirit and culture, to encourage cross -border exchange of experience among faculties .
- Entrepreneurship education should desist from simply teaching knowledge on business creation and rather focus on experimenting and experiencing entrepreneurship.
- To establish closer cooperation between business and academia. Education should be better linked with practice to ensure that future skills match jobs .
- To create and sustain the entrepreneurial ecosystem.
- Entrepreneurship education should be interdisciplinary, developing multiple dimensions, such as employability, social and academic entrepreneurship and Entrepreneurship.

- More effective measurements and evaluations of the impact of entrepreneurship education programmes and policies require longitudinal studies, whilst the short-term impact can be determined by measuring entrepreneurial skills and qualities of students/graduates.

12. CONCLUSION

The synergies of entrepreneurship as a field of study with other fundamental business management courses, such as marketing, necessitate a framework for developing entrepreneurship as a core course for students to ensure an integrated learning platform. The need to develop such a course with the purpose of introducing this platform at foundation levels becomes imperative under such circumstances. 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. Entrepreneurship has justifiably become cool, and its education on high demand. At every level high school, college, graduate school, and community college entrepreneurship needs to be taught, and by 2020, we will see much greater penetration of entrepreneurship education throughout society. Entrepreneurship as a vehicle of economic development and prosperity is becoming well understood. Its education will also become so within this decade.

The measures can be seen as follows:

- Removing fear and building confidence to start something enterprising.
- Extensive exposure to latest happenings across the globe for better understanding
- Repeated business plan formulation and critical discussions about how to improve them
- Cultivation of good habits, positive thinking and proactiveness.
- Apart from educational institutes even the government is also taking rigorous measures in entrepreneurial development.

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