



Entrepreneurship Education Awareness: Prospects in India

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ABSTRACT

It is increasingly being recognised that entrepreneurship education is essential not only for individuals but also for the success of entire nations. It has been said that India is the land of entrepreneurs and business lies in the blood of majority of Indians, but still what have we as Indians gained? Undoubtedly Rolls Royce for a lucky few but no food & housing for all! That's where the true growth lies! Even after 60 years of independence we have not been able to eradicate Poverty, Illiteracy, unemployment and various other social evils, a possible answer to all the above stated evils can be effective Entrepreneurship!

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Introduction

Entrepreneurs play an important role in developing and contributing to the economy of a nation. It is all the more in a developing world where are ample opportunities for innovations to exploit the available resources and initiate entrepreneurial ventures. But the emergence of entrepreneurship in all countries and in all parts of any country is not usually even. Commonly we see more entrepreneurs in comparatively more developed areas. Another paradox exists in terms of increasing number of unemployed population, seeking wage earners career and unaware of the wide opportunities for entrepreneurial career. This is, by and large, because of lack of education about entrepreneurship.

The business entrepreneur, the archetypal enterprising person, has become the focus of interest in many nations as an instigator of social and economic change. The search is on for more and better ways of creating enterprising people and specially for developing entrepreneurs. For this, the role of education and training is typically very important. Education is a strong influencing media that sets values, develops attitudes and motivation and induce people to acquire skills and competencies to achieve goals. The word 'education' can be linked to the word 'enterprise' in three ways:

Education about the enterprise

It refers to the role of education in raising awareness of enterprise and entrepreneurship as a key change agent in economic process.

Education through enterprise

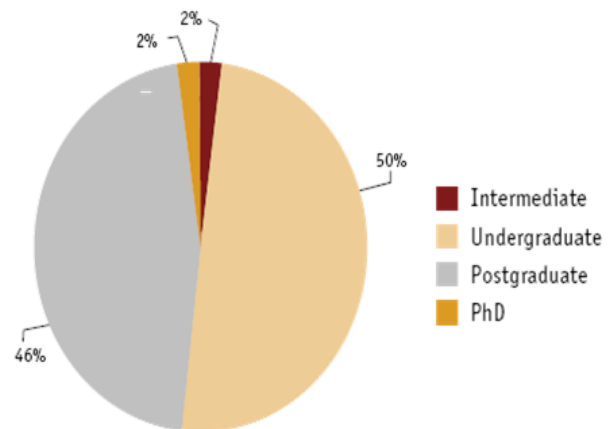
It refers to the act in which the education process itself can be enhanced by using pedagogic styles which work in and makes use of enterprising situations including the student concerned and real world project driven approaches

Education for enterprise

It is aimed at entrepreneurship development and includes training existing entrepreneurs as well as for new business start-up.

The Present scenario

Entrepreneurship education has just entered the country. But it will go a long way in helping India churn out "job-generators" instead of "job-seekers". APJ Abdul Kalam.



The present education system in India has not been able to promote independent thinking, creativity, a spirit of innovation and motivation for setting a challenging and achievable goal. The environment and policy however offer diverse opportunities for sustainable self-employment to ensure contribution of workforce to industrial economy. There is thus a need to inculcate the spirit of enterprise into the psyche of the present generation. Entrepreneurship, self-employment and enterprise creation provide a solution to the crisis of both unemployment and economic growth.

Entrepreneurship education in India is in its early stages. It has just grabbed a toehold in the country, and though gradually the number of institutes introducing entrepreneurship programs is increasing, the awareness is quite low. Most of the participants in these courses are either the alumni of these institutes or got to know of them by word-of-mouth.

Entrepreneurship and self-employment are generally considered central to economic development and revitalization, particularly in underdeveloped countries or economically stagnant regions. As companies increasingly downsize to become more competitive in the weakened world economy, the growth of new businesses becomes an important avenue towards full employment. Policy makers, therefore identify ways to encourage new business and small business growth. It is a widely held belief that lack of credit is an important constraint in

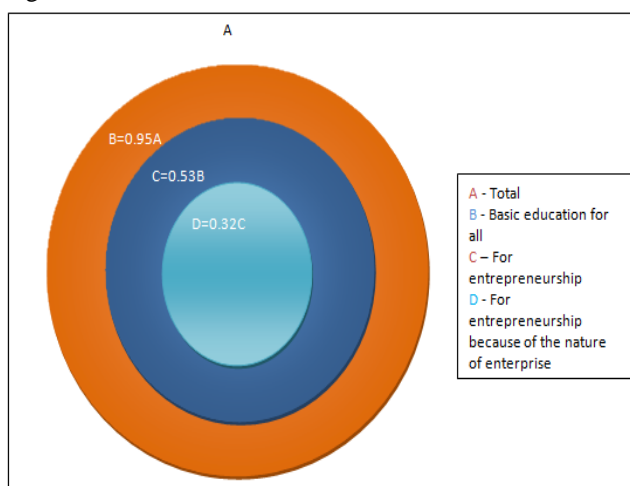
the development of entrepreneurship. Consequently, many public policy programs sponsored by the state and federal governments focus on making credit available to small and growing businesses in settings and circumstances that banks or other lenders are likely to avoid.

The entrepreneur who implements 'new combinations of means of production' plays a crucial role in disturbing the status quo through innovation — or 'creative destruction' — and thereby becomes an agent of change. As such, the 'dynamic equilibrium' achieved by a constantly innovating entrepreneur could generate the conditions for:

- increasing opportunities for employment (comprising various competitive skill sets);
- additional wealth creation;
- introduction and dissemination of new methods and technology;
- Overall economic growth: It is in the creation of more wealth, and in the constant innovation from prevailing to the next best practices, that the significance and importance of entrepreneurship lies.

Importance of Education for Entrepreneurship

As seen from Figure below there is universal acknowledgement regarding the importance of education. As many as 95% of entrepreneurs think education is a critical success factor for every individual, generally; this is not surprising since 98% of the entrepreneurs interviewed have at least an undergraduate degree. Of the 95% who value education generally, 53% (i.e. 50% of the overall sample) consider education a key trigger to evoke entrepreneurial inclinations. (i.e. they feel their education has helped them to be successful entrepreneurs). Further, 32% of this 53% (i.e. overall) got into their respective business sectors as a result of their particular educational background.



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.

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.

The importance of education for social progress and economic development is undisputed. In this respect, the nature and role of education in catalyzing Entrepreneurship, especially in the highly skilled and knowledge-driven sectors is a topic requiring special attention. One major determinant for growth of Entrepreneurship is the availability of adequate number of skilled human resources, people who can take advantage of the opportunities provided by a growing economy at the local, national and global levels.

The Institutions & Agencies

a. There has been a recent growth in the number of institutions offering entrepreneurship courses. Besides SP Jain Institute, many of India's top institutions offer entrepreneurial courses today. Some examples are IIM-A, IIM-B, ISB, Hyderabad and Entrepreneurship Development Institute of India (EDI). The institutes such as Pearl School of business, EMPI business school, Entrepreneurship & management development institute of India, Jaipur are playing their role in spreading the entrepreneurship education in India.

Other groups such as the National Entrepreneurship Network (NEN) and The Indus Entrepreneurs (TiE) are also very active in providing mentoring and networking in the entrepreneurial ecosystem, especially in the knowledge-driven and high growth sectors in key metropolitan cities. NEN, for example, also supports 'Entrepreneurship cell' workshops in educational institutions and organizes a national 'Entrepreneurship Week' every year, which brings together a large number of educational institutions and supporting networks. TiE also organizes networking events among entrepreneurs and investors. A recent initiative is the 'Pan-IIT Entrepreneurship Movement' involving alumni of all the seven IITs, to evolve a brand that would provide strong fraternity links among IIT alumni & entrepreneurs.

The task of ensuring greater social affinity for Entrepreneurship requires dissemination of best practices as well as documenting unsuccessful ideas, as part of raising awareness about entrepreneurial experiences at all levels. A key socio-cultural factor also pertains to social attitudes towards risk and failure. To better understand and manage risk as well as create a supportive social environment for entrepreneurs, it is essential to remove the stigma associated with failure. This is possible by acknowledging the value of experience gained, 'being smart enough. to recognize mistakes and change strategies' and being quick in 'adopting the successful approaches that work'. In this respect, it is imperative to launch Entrepreneurship outreach events (not just in schools and colleges, but also through the media) where entrepreneurial experiences (including unsuccessful experiences) can be shared widely.

Most of these programs require the candidate to have basic graduation, though in some, non-graduates can also apply. Sometimes, passion and commitment are all that the institutes look for when evaluating prospective students.

In March, 2006, National Entrepreneurship Network (NEN) turned change-maker with its unique Entrepreneurs Educators Course (EEC), designed to build a pool of world-class entrepreneurship faculty in India. The EEC was developed and taught by leading faculty from around India and the world, in partnership with Stanford University's Technology Ventures program, and IIM-Bangalore. Faculty from Stanford University, Columbia University, London Business School, Scottish Institute of Enterprise, Babson College and Thammasat University in Bangkok were enrolled for EEC's.

Today, more than 250 faculty members from universities across the country have signed up for EEC. But back in 2006, only 20 teachers chose to take the road never traveled. In June 2008, these 20 pioneers have become the first- ever faculty members in India to be officially certified as qualified entrepreneurship educators. And it didn't come easily. They started entrepreneurship cells for students; introduced new courses on entrepreneurship; and organized over a thousand entrepreneurship-related events in their campuses. Most importantly, they fostered the spirit of entrepreneurship among the youth.

Methodology

This study is part of a larger ongoing study which evaluates the level of entrepreneurship education awareness in India. The evaluation study includes the secondary data from various sources. The data from the internet, magazines & newspapers has been mainly used for the collection of the information. The procedure adopted in the formulation has been to give a in-depth analysis of the present scenario in India, the facts & figures, the steps which may enhance the awareness of entrepreneurship education, the basic models for spreading the entrepreneurship awareness, the cases of the aspiring entrepreneurs, findings & conclusion. The purpose of this survey is to gain a better understanding of the ways & means of spreading the entrepreneurship education awareness in India. Since this is an baseline study, descriptive statistics are employed to uncover the behaviour patterns underlying the entrepreneurship education awareness in India.

Case studies

□ Even while Mitesh Thakker was doing his MBA from SP Jain Institute of Management and Research, his heart was not into joining the corporate bandwagon. Instead, he wanted to set up a dotcom in true entrepreneurial style.

"I always wanted to start my own business. I was so keen on doing it that I did not even participate in the campus placements," says Mitesh, founder and director of NetPrice Services, a firm that helps large brands in checking the performance of their advertising spend.

However, his company NetPrice is not his first venture. "My first company, which I started around 1999-2000, did not survive the bubble burst and soon I started having second thoughts. I started feeling that if I had taken those placements, my salary would have been much more than the total revenues of my company," he says about his tryst with entrepreneurship.

Mitesh soon found himself a job, but he still yearned to be his own master. "There was this idea of NetPrice Services in my mind, but I was full of doubts due to the past failure," he remembers.

It was then, in August 2006, that he received a mail from his alma mater, informing him about a new program for those who wanted to start their own businesses. The program, not surprisingly, was called Start Your Own Business.

"I wanted answers to questions like, should I work on my idea, or am I good with my present employer? What returns will it give? From the brochure, it looked like I would get my answers. The course would not only whet my ideas, but also provide some coaching on what to do at every milestone," shares Mitesh.

□ Arpit Agarwal, a member of the entrepreneur-cell at IIT Bombay, feels that there is a lot of overlap between an MBA and an entrepreneurship course. "An MBA already knows that these are the basics and these are how they are structured. This course will not teach anything more than that," he points out. "This is for non-MBAs like engineers who want to start up and are

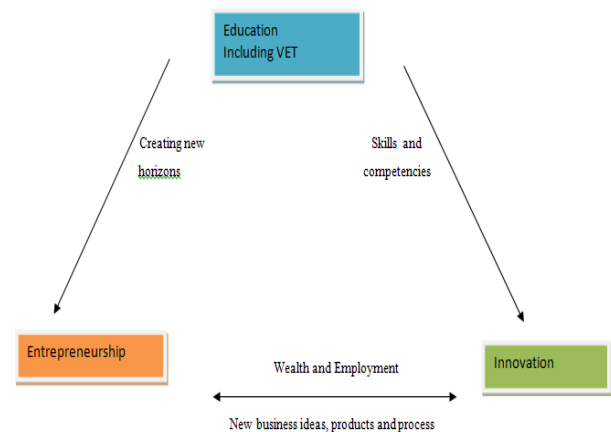
clueless as to how to go about it. In fact, some of the professors in IITs are clueless about what to do in a startup situation— how to manage human resources, for example. So, anyone who hasn't done these types of courses as part of his MBA would be benefited by these courses."

□ Laura Parkin of NEN does not see entrepreneurship courses as mini-MBAs.

She looks at them as an enabler, beyond the standard MBA, to help students meet challenges within today's top corporations. "When you look at companies today they are actively promoting entrepreneurship internally. Entrepreneurship education prepares everybody who wants to be a leader to be a better leader. We have to shake the notion or demystify, debunk the fact that if you have taken an entrepreneurship course, you can immediately start a company. On our campuses, we actively encourage young people not to start companies immediately, because they should get some work experience before that." NEN in fact, helps students find entrepreneurial jobs such as business planners.

□ "I didn't have time for a full-time MBA," says Usha P Raikar, technology director for a software firm based in Bangalore, who attended the family business course at IIM-B. "I didn't have the luxury to do a full-time MBA. I liked the way it was structured; you didn't have to go the class for about 10 days every four months. So wherever you are, you can just login and post your answers and keep up-to-date," she explains her reasons.

□ According to some of the teachers trained under EEC, it was the countless experiential experiences they shared at the EEC modules that made the difference. Radha Iyer, Senior Lecturer, K J Somaiya Institute of Management Studies and Research gives her thumbs-up to the content and the teaching methods, which resulted in her "everlasting love affair with entrepreneurship." "Being on the other side of the classroom has never been so much fun. The international faculty's teaching methods were of global standards—innovative, participant-centric and very doable," she explains. "The methods were so hands-on that I would implement them in class the very next day," adds Dr S N Soundara Rajan, Dean, Management Studies, Rajalakshmi Engineering College, Chennai.



At a general level, the multi-dimensional nature of the required entrepreneurial skills originates in education and involves a combination of critical (objective, analytical and logical) as well as creative and empathetic (lateral, imaginative and emotional) thinking. Imparting such skills is a process, which starts right from the school stage. However, critical aspects of higher education include professional education.

Indian academia is yet to appreciate the kind of flexibility that prevails in campuses abroad, especially in the Silicon Valley where many PhD students and academics are also very

successful entrepreneurs. In this respect, Indian institutions could encourage Entrepreneurship through promotional policies such as the following: enabling PhDs/ researchers to set up commercial entities while engaged in universities or professional employment; allowing institutional mobility and flexibility; encouraging universities/research organizations to establish commercial enterprises based on their new inventions and enabling industry and other research organizations to invest in new inventions, enterprises and innovations as equity etc.

While nearly 80% of the entrepreneurs interviewed by NKC have a science/ engineering background, only 16% of the overall sample said that they consider their education relevant for their particular entrepreneurial venture. This leads one to wonder how much more entrepreneurs might gain if their curricula paid more attention to post education business opportunities.

70% of the entrepreneurs interviewed by NKC do not have an MBA qualification. This may suggest that an MBA degree is not a full proof success tool to become an entrepreneur, though perceptions may be changing. There is potential even in those who may not have a background in business and science education to become entrepreneur.

The findings of the research have been phenomenal in more than one way.

It has been proven that two thirds of all new ventures perish in the first 5 years (Source: U.S Data). This is indicative of the fact that the support from the government and most importantly the education to the entrepreneurs is the most important thing which shall enhance the success ratio of the business and help the family businesses to sustain beyond fourth generation. The start-ups face major challenges & with proper entrepreneurial education the entrepreneur can become a self help individual with less dependence on the external sources for every minute move.

¾ Liability of newness & smallness is a major challenge that the entrepreneur faces which can be minimized greatly with the help of entrepreneurship education at the start up level, better if the same happens before that. Also the entrepreneur's have the Indian business wisdom but the fact is that in today's dynamic & competitive environment education becomes a must for long term sustainability of the business.

¾ Academic programme deficiencies are a major drawback and the same is a major hindrance in imparting the structured education to the entrepreneurs as well as the students of entrepreneurship. The solution to the same is to address the education need of the entrepreneurs in different sectors as the same will be more relevant to the entrepreneurs and fruitful in their business. A general module is somewhat useful but than the interest of the entrepreneur and the applicability of the same in the business is doubtful.

¾ The academic programmes with no degree awarding ones are also a major hindrance in the spreading the awareness and also enhancing the popularity of the programmes across India. Good news is, with the recession and a slump in the availability of jobs, entrepreneurship courses and entrepreneurship as a career has clicked with the students as well as the job seekers well, so this is the time when the awareness can be spread like fire by introducing right courses as the same has been heroically done by EDI, India by launching a two year full time AICTE approved programme which has appealed to a great extent in the market.

¾ Limited focus on research & publications on entrepreneurship is also a major setback for the entrepreneurs, as it is a fact that entrepreneurship is at a nascent stage and has

tremendous potential for exploration for the good of humanity at large.

¾ The short term courses as are being offered by majority of colleges do not have the significant impact on the businesses as with the dynamism in the environment it is essential to have a course structure and environment which shall inspire people to come in for courses on regular intervals or go for long term courses which shall give them in depth understanding of the business intricacies & also the required resources for starting, sustaining & growing their business.

The above stated are the priority areas for training with a huge gap visible in various areas that are essentially very important for the success of the business in the short as well as in the long run.

Suggestions

Content and Learning Methods

It is important to develop pedagogic methods, examination systems and curricula that encourage critical and lateral thinking. The ability to promote Entrepreneurship requires an enquiring mind that is able to make connections between theory and practice. Entrepreneurs feel that there is a need to recreate real-life situations in the classroom with the help of examples and illustrations so that students are able to get a 'concrete feel' of various aspects of the outside world. At the same time, many entrepreneurs also feel that the starting point for reforming teaching methods and encouraging variety in career options, must be at the school stage itself, where the pressure to learn by rote and to join typically stereotypical career paths are huge. Right from the school stage, pedagogy should encourage original thinking and not rote learning. One specific suggestion from several entrepreneurs is to introduce manuals in school curricula on 'How Things Work' on various practical aspects of everyday living.

Teaching and Entrepreneurship

While Entrepreneurship has been introduced as a course in a number of business school curricula, there needs to be a greater thrust in making Entrepreneurship a priority subject. Other aspects of Entrepreneurship such as business ethics, early enterprise management, aspects of scaling up, Indian corporate law and relevant international laws, should also be a part of such Curricula. A noteworthy development is the recent proposal to set up a School of Entrepreneurship offering undergraduate and post-graduate degrees in IIT Kharagpur. Such initiatives need to be encouraged for widespread adaptation in other educational institutions, including institutions located outside metropolitan areas. The involvement of the burgeoning NRI community and alumni networks in funding such schools must be encouraged.

Encourage Student-led Entrepreneurial Activities on Campus

Entrepreneurship cannot be learnt only by 'chalk and talk'. Shared activities outside the confines of the textbook are imperative to develop leadership and team building skills that are necessary for Entrepreneurship. It is necessary to encourage activities within educational institutions, where entrepreneurial abilities find opportunities and fertile ground to grow. In several educational institutions, student led and faculty supported activities have been able to create awareness and prepare necessary mindsets about Entrepreneurship. Examples include the Entrepreneurship and Innovation Cell at IIM Bangalore and the Entrepreneurship Cell at IIT Bombay, which engage in activities such as business plan contests, assisting start-ups and incubation centres.

Directors	Managers	Employees
Marketing – 38%	Finance – 24%	Team Skills – 21%
Finance – 27%	Team Skills – 18%	Quality Assurance – 19%
Quality Assurance – 18%	Quality Assurance – 12%	Interpersonal Skills – 10%
Leadership Skills – 18%	Marketing – 10%	Production Management – 8%
Technology Management – 17%		
Venture Capital & Funds Management – 10%		
Networking Skills – 16%		
Selling Skills – 10%		
Negotiation Skills – 15%		

Initiatives such as ‘business plan contests’ (with angel/VC/private sector assistance, which could directly become entrepreneurial ventures with rewards in terms of seed funding), instructional programmes that deal with the basic practicalities of Entrepreneurship and platforms to interact with other entrepreneurs and the financial community (especially VCs and angels) need to be intensified and encouraged.

Performance-oriented VET Skill Development

While the NSDM is a significant and landmark initiative, special care needs to be taken to ensure that NSDM outlays are utilized to actually transform VET. This issue is significant since it relates to the concept of equality of opportunity itself. At the basic structural level, the VET policy needs performance-based models that link incentives to outcomes. Further, decentralized approaches in governance and accountability, being rooted in local realities, may be more useful in implementation of VET plans. This could be done through the State Councils for Vocational Training (SCVT) in each state.

Need of a fresh thought

It is important to understand the entry-stage requirements of each trainee, according to which tailored supportive courses can be developed. English language skills as well as a transparent industry backed certification system for each trainee should be made compulsory. Learning by doing or earning needs to be encouraged with renewed vigour, which may require a fresh look into relevant issues enshrined in relevant laws.

Further, the process of connecting financing to performance based outcomes in VET needs to be given thrust through nationwide publication and dissemination of learning outcomes in the form of a Vocational Skill Primer that measures each VET institution. Publication of performance-based outcomes is therefore the first step in developing a transparent and independent rating agency and system in VET. Bringing about systemic changes in the way the VET policy is executed is the only way to enable the country to take advantage of its democratic dividend and realize its human resource potential. This is a task where the State must perform its role, and where the industry must also play an increasingly valuable role.

Enterprise Centres in Major Educational and Research Institutions

Special enterprise centres focused on translating innovation-driven entrepreneurship shall definitely be of great help to the students as well as in initiating & supporting the entrepreneurship movement in the country.

Vocational Education and Training (VET) and skill development

- Intensifying the quality and scale of industry interaction with academia.
- Providing commercial and legal incentive structures that promote such collaboration (such as granting IP rights to universities and research centres for inventions developed from

publicly funded research and encouraging commercialization, where the inventor also has a stake in the royalties).

- Interconnecting the knowledge institutions in the country (through digital broadband network with gigabit capabilities).
- Finding sustainable and workable models for continuous innovation driven Entrepreneurship.

An entrepreneurship program offers two components--one is the business component and other one is the entrepreneurship component. The business component acts as a safety net for those students who might not feel like starting their own ventures immediately, and the entrepreneurship component is the inspirational net that is going to instill passion and skills in a student to be a successful entrepreneur; Prof. K. Kumar, IIM Bangalore.

Concluding observations

- Undistinguished in scope of provision but distinctive in structure of provision.
- Confused state of affairs but widely spread and diverse forms.
- Wide range of stakeholders but more of state dependence.
- Entrepreneurship training has higher premium than entrepreneurship education.
- Early stage education for entrepreneurship neglected
- Recognizing the dual role of education and its focus on facilitating both the general and the role relating to the task environments.

There is a need for

- Pro active response to the trends
- Distinction between entrepreneurship education & SME training
- Internationalization
- Evaluation
- Integration with R&D, Technology search & policy formulation

It has found that more than 50% of the SME require entrepreneurial training in order to handle their businesses more professionally with majority of them considering the training from Industrial trainers & consultants as they feel the value for their time when being trained by such professionals & then their second preference by the training institutions followed by consultant organization. So, it can be said that there remains tremendous scope for entrepreneurship education awareness in India.

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