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Role of Educational Institutions in Promoting Entrepreneurship

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ABSTRACT

Entrepreneurship 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. Education is an important factor which inculcates values and skills required for an entrepreneurial mindset. Educational institutions have a definite role to play in promoting entrepreneurship. This paper focuses on the role played by educational institutions towards entrepreneurship development. The University of Kashmir has been chosen as a case study for said purpose. A thorough review of the courses offered by the university in the area of business and management has been done. It gave us the insight that focus of our education has not been on providing entrepreneurship education but the management education as a whole. The education system prevailing in the university just focuses on the related business education rather than the entrepreneurship education. There is a strong need to introduce entrepreneurship as a subject first and then later on as a full-fledged course. This paper tries to explain that why entrepreneurship has not been the career choice of the students. It also focuses on the importance of entrepreneurs in economic development. Moreover this paper tries to focus on the strategies to be adopted by the Educational Institutes to focus on entrepreneurship education, research and development.

KEYWORDS: Entrepreneurship education, entrepreneurial mindset and Kashmir.

Introduction:

Entrepreneurship is the process of transforming an idea into action, that is, a business idea into a new venture. Entrepreneurs identify an innovation to seize an opportunity, mobilize money and management skills and take calculated risks to open markets for new products, processes and services. Innovation is the specific tool of entrepreneurs, the means by which they exploit changes as an opportunity for a different business or a service. Entrepreneurship applies to all real life situations and it is not correct to equate it with just business enterprises or profit motive or utility. It simply means judicious, efficient or timely use of available resources to achieve certain distant goals (Gupta 2008). Entrepreneurship development refers to the process of enhancing entrepreneurial skills through structural training and institution building programs. Entrepreneurship development aims to enlarge base of entrepreneurs in order to hasten the pace at which new ventures are created. This accelerates employment generation and economic development. Entrepreneurship is considered as a key driver of the economy. Wealth and a high majority of jobs are created by small businesses started by entrepreneurially minded individuals, many of whom go on to create big businesses.

According to Global Entrepreneurship Monitor (GEM) 2012, Global Report, positive attitudes about entrepreneurship in an economy can indicate the propensity for the people to engage in this activity. In addition attitudes can signify the extent to which a society may provide cultural and financial support and generate potential stakeholders that could enhance and assist the efforts of entrepreneurs. The GEM report on attitudes lend merit to efforts that take the pulse of societal attitudes about entrepreneurship and promote educational and other programs that target and assess change in attitudes as well as skill building(source:www.gemconsortium.org).

An environment is to be created which facilitates entrepreneurs, encourage innovation and adequate and timely support at every level of venture creation. Entrepreneurship education is the top priority and need of the hour. It is the schools and colleges where you can nurture young minds to take entrepreneurship as a career. Education at all levels should aim at building necessary skills and motives required for the creation of an entrepreneurial mindset. The centers of academic learning have to take a step forward to be agents of change rather than be mere providers of knowledge. This can only be done by creating mindsets which will bring this change. Those mindsets are the sole characteristics of entrepreneurs which are imperative for the sustainable development of an economy.

Literature Review:

Given the diversified nature of entrepreneurship education, it is indispensable that a student-oriented learning approach is adopted in higher education institutions. The learning mechanisms should stress on role orientation, involve students in problem-solving and real life case studies, develop rational and critical thinking, foster communication and co-operation and stimulate creativity Latifa K. Attieh, Vanessa Chehade (2011). A. Rehman, Y A Elahi (2012) suggest that the entrepreneurship education should satisfy the need for entrepreneurship by selecting, motivating, training and supporting budding entrepreneurs. The B-schools are the appropriate nursery of shaping and developing management graduates for entrepreneurship who possess integrity and ethical standards, a deep sense of social responsibility, a commitment to the uplifment of their communities, understand protection and sustainability of environment and the improvement of people's quality of life. There is a need to refine techniques of entrepreneurship education. Selecting suitable candidates (everybody is not entrepreneur) and eligible faculty (successful or at least an experienced entrepreneur). According to Brown (2000) entrepreneurship education is designed to communicate and inculcate competencies, skills and values needed to recognize business opportunity, organize and start new business venture. Gorman, Hanlon, and King, (1997) point out that entrepreneurship education is an educational program that is focused on impacting students with issues on entrepreneurship.

P F Izdonim, C Okafor (2010) conducted a research on students studying entrepreneurship as one of their courses in their institutions of higher learning. The study was set out to examine the effect of entrepreneurship education on the students entrepreneurial intentions. The study makes it clear that entrepreneurial characteristics of youth are diverse and their exposure to entrepreneurship education for some period of time is capable of provoking the intention of becoming entrepreneurs. This is also an indication that they have been equipped with the necessary knowledge and skills required for a new venture start up. It is also deductive that entrepreneurship education is a useful program that will enable the students either to help their future employers or manage their own business successfully. The essence of introducing entrepreneurial educational programs to schools is to equip students with the necessary skills and mindsets required for successful entrepreneurship from their early years and also to instil in students across all levels of education, the self confidence and assurance required for launching business. Clearly, institution and social contexts play important roles in determining the entrepreneurial inclination and action among students. Education conveys the required knowledge and skills which is capable of turning students entrepreneurial intentions to entrepreneurial activities. Although participating in entrepreneurial education may not necessarily lead to entrepreneurial intentions, it is a way of motivating students in initiating entrepreneurial venture. Aurogundade, B. Bukola(2011) also recommended that educational programmes at all levels of education should be made relevant to provide the youth the needed entrepreneurial skills.

Hood and Young(1993) developed a theoretical framework suggesting four primary areas in which successful entrepreneurs must be developed. Specifically, these areas are content, skills and behavior, mental-

ity, and personality. The first three areas, content, skills and behavior, and mentality are referred to as areas of creative knowledge. This is because new knowledge is brought into existence during the creation and subsequent management of growing business entities.

Objectives:

The following are the objectives of the present study:

1. To study the importance of entrepreneurship education.
2. To study the role played by the University of Kashmir towards entrepreneurship education.
3. To suggest the measures for developing entrepreneurship education.

Methodology:

The present paper is an exploratory type of research. The data has been collected from the secondary sources like Books, journals, magazines and internet.

Role of Entrepreneurs in economic development:

Small size enterprises have been recognized as an engine of growth all over the world. India has a vibrant micro, small and medium enterprise sector that plays a vital role in sustaining economic growth. The entrepreneur facilitates economic growth by creating jobs and adding value to the economy. The MSME sector in India is highly heterogeneous in terms of the size of the enterprises, variety of products and services, and levels of technology. The sector not only plays a critical role in providing employment opportunities at comparatively lower capital cost than large industries but also helps in industrialization of rural and backward areas, reducing regional imbalances and assuring more equitable distribution of national income and wealth. MSMEs complement large industries as ancillary units and contribute enormously to the socioeconomic development of the country.

Key highlights of the MSME Sector:

- It accounts for about 45% of India's manufacturing output.
- It accounts for about 40% of India's total exports.
- This sector is projected to employ about 73 million people in more than 31 million units spread across the country.
- It manufactures more than 6,000 products ranging from traditional to high tech items.

There has been a tremendous increase in the contribution of entrepreneurs via these enterprises to the Indian economy. The employment provided by these enterprises has increased from 249.33lacs (2001-02) to 1012.59 lacs(2011-12). The gross output of MSME sector stands at 1834332.05 cr (2011-12) from282270.0cr (2001-02).

The small scale enterprises are the creation of the entrepreneurs who manage and operate them. They in turn create jobs and add wealth to the nation. The aim of Government, Educational Institutes and society at large should be to encourage people to become entrepreneurs, who are job creators, an asset to the economy, rather than job seekers, a burden on the economy. India can generate additional economic growth by fostering entrepreneurial activity within its borders. To pursue further the entrepreneurial approach to economic growth, India must now provide opportunities for (1) education directed specifically at entrepreneurial skills, (2) financing of entrepreneurial efforts, and (3) networking among potential entrepreneurs and their experienced counterparts. Further, although the Indian government should establish policies supportive of entrepreneurial efforts, its role overall should be minimized so that the influence of the free market and individual self-interest can be fully realized (Anil K. Lal, Ronal W. Clement, 2006).

Role of Educational institutes: A special reference to University of Kashmir

Education is an important factor in deciding future of any individual. Educational institutes are shaped by, and themselves shape, the country's economy and society. Through world-class teaching, research, and increasingly closer interaction with businesses and communities, they are helping to create the conditions which will lead the country out of recession to full recovery. Higher education is an engine of economic, social and cultural development in local communities and across the country as a whole .Entrepreneurship education inculcates entrepreneurial spirit in an individual which leads to innovative ideas and ultimately to a business start up. Addressing the students at Mauritius University, the then President A. P. J. Abdul Kalam (March13,2006) stated: "The aptitude for entrepreneurship should be cultivated right from the beginning and in the university environment. We must teach our students to take calculated risks for the sake of larger gain, but within the ethos of good business. They should cultivate a disposition to do things right. This capacity will enable them to take up challenging tasks later" (source: Gupta, 2008).

University is considered to be the highest seat of learning. University of Kashmir is the pioneer institute in the valley of Kashmir of state of Jammu and Kashmir in India. The are a number of business courses offered by the University of Kashmir besides other professional and technical courses. The area of concern are the business courses. The courses offered are: Masters in Commerce (M.com), Masters in Business Administration (MBA), and Masters in Finance and Control(MFC). A thorough review of these courses is indicative of the fact that content and the methodology of teaching has certainly helped students to get good jobs in big corporates in and out of the state. The students are not turning up to entrepreneurship as their choice of career. The education system in place is not oriented towards creation of entrepreneurial mindsets. The stage when the students pass out from the institution is the time when they search for the ways and means to earn money. The first and last choice, as is quite natural here is the search for a good job. This is for what they are being prepared over the years of their educational life in their schools, colleges and the university.

In the given situation, there are a very few students who want to start a new venture. The absence of entrepreneurial culture does not allow them to do so and our educational system has not been able to focus on the creation of that culture. Apart from the drawbacks of our business courses, several other reasons are also their which act as barriers in creating an entrepreneurial culture. Some of them are:

a. We the people of Kashmir in general do not encourage entrepreneurs. We have not yet understood the importance of entrepreneurs, an officer class like a manager in a bank, a professional like lawyer, doctor, and engineer is much more valued than a business man. And this is the same set of values which we pass on to our younger generations.
b. High bureaucratic control often halts a process before it is being actually started. An idea goes off in air before it could have turned into action. Thereby discouraging people to start new ventures. In India it takes 89 days to start a business, 5 days in US and only 2 days in Australia.
c. Government support has really been very less. Keeping in view Kashmir valley in particular which is not an industrialized state, dependence on the government becomes too large

Suggestions for promoting entrepreneurship education

1. Starting a business and managing a business are entirely two different things. Our focus has been entirely on the management education. There is need to start courses on entrepreneurship. University has not been able to even introduce entrepreneurship as a subject in its post graduate business courses. These courses should satisfy the need for entrepreneurship by selecting, motivating, training and supporting budding entrepreneurs. It should enable them to be self-employed and self-reliant. Provide them adequate training that will enable them to be creative and innovative in identifying novel business opportunities.
2. There is a need to get into collaborations and partnerships with the people and organizations which help in developing entrepreneurship education. This has already been done by various universities and B-schools in other parts of the country. For example, The Indian School of Business (ISB) at Hyderabad is affiliated to non-profit organization Wadhwani Foundation committed to promoting entrepreneurship. ISB, Hyderabad provides a start in developing outstanding entrepreneurial leaders. ISB's program is designed primarily to prepare managers to respond to the challenges of rapidly changing business environments. Within an environment of intellectual vibrancy, there are more than 500 students who graduate each year after studying entrepreneurship, strategy and the impact of technology on commerce. They spend time developing their own projects, while utilizing state-of-the-art communications technology to interact with members of industry and experts worldwide. IIM Bangalore carries out projects with Global Entrepreneurship Monitor(GEM). This promotes the research area

of entrepreneurship. The University of Kashmir can follow the similar trend.

3. The internship programs offered by the University in its business courses solely aim to help students to get exposure of the corporate sector in the outside world. This helps them to better adjust in the big corporate later on. There is a need to start entrepreneurship internship programs where students will work on the projects related to their own innovative ideas and interact with local successful entrepreneurs and experts.
4. We are short of role models. The university must act as a forum to bring the entrepreneurs across the country to share their ideas with the students who are the budding entrepreneurs. This will encourage the students to take entrepreneurship as a career.

Conclusion

Educational institutes have a significant role to play in promoting entrepreneurship. They are actually the nurseries where the students are to shape their careers. Entrepreneurs are necessary for the growth of any nation. They create jobs for themselves and for others. The findings prove that the University of Kashmir has not been able to promote entrepreneurship education. Promoting entrepreneurship education will help us to inculcate an entrepreneurial spirit among our youth. It is the high time the university starts courses on entrepreneurship. So that we will be able to see increasing number of entrepreneurs in our valley in the near future.

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