



EDUCATION INSTITUTE AS INCUBATORS OF FUTURE ENTREPRENEURS

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ABSTRACT

Education is an important factor in determining the entrepreneurial orientation in individuals. Formal education is positively correlated with entrepreneurship. 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. During liberalization, which started in India in 1991, India exerted greater effort to promote and nurture entrepreneurship. Attempts at various levels have taken place to directly or indirectly promote entrepreneurship. During the recent past there has been a growing debate about how well educational systems specially B-schools prepare young management graduates for Entrepreneurship. In the present scenario this debate becomes even more relevant. Should B-Schools lay special emphasis on entrepreneur education in their curriculum? If yes than what is scope of this education and what opportunity will it raise? These are some questions which need to be given serious thought.

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. Entrepreneurship education and incubation (including mentoring) are the key areas in which higher education institutions can contribute directly to the quantity and quality of new startups and indirectly to the Indian economy. Entrepreneurship education through these institutions can help in increasing awareness of entrepreneurship as a viable career option and the support received through incubation can help student entrepreneurs overcome hurdles to starting and growing their businesses. In this way, the role of higher education institutions in India goes beyond just teaching and awarding degrees to more broadly influencing the economic development of the country

Key words: Innovation; risk-taking; decision-making; ambition; personal value orientation.

INTRODUCTION



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. 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.

As hubs of youth populations and providers of education, educational institutions are well suited to delivering both training and opportunities to students and encouraging young people to pursue entrepreneurship as a career. The opportunity is timely, in part because many students are still unclear about the future course of their careers, but also because entrepreneurial intentions tend to decrease with age. It is much more important to nurture and engage student's entrepreneurial spirit early so they are prepared to start a business or invent something that changes the world.

Thus, in India, the role of higher education institutions is undergoing a fundamental change to better encourage and support young entrepreneurs. Traditionally, students in higher education institutions were exposed to that was limited to their specific domain. For example, students of engineering and technology received technology-based education and learned about common technology-focused practices, with training limited to the domain-specific skills required by industry. However, such training is not sufficient for pursuing entrepreneurship. Unless domain knowledge is accompanied with knowledge and hands-on experience in the world of business, it is difficult for educational institutions to create large cohorts of entrepreneurs that will succeed in the long run.

Incubation and mentorship

One way to connect higher education institutions with an entrepreneurship ecosystem and provide real-world training to entrepreneurs is for an institution to run an incubator in the sense of a shared facility where a combination of training, mentoring, and infrastructural



facilities are offered "under one roof". Incubation is relatively a new activity within higher education institutions in India, but it has grown with the support of the National Science & Technology Entrepreneurship Development Board (NSTEDB), whose mandate is "to help promote knowledge-driven and technology-intensive enterprises" and "convert 'job-seekers' into 'job-generators'". India has more than 65 technology business incubators, 15 science and technology entrepreneurs parks (STEPs), 38 entrepreneurship development cells, and 35 innovation and entrepreneurship development centers actively working and supported by the central government. These are the major government supported initiatives, most of which are run by private and government educational institutions in the area of entrepreneurship development.

Through incubators, higher education institutions in India can provide student entrepreneurs with infrastructure and facilities essential to launching and running their startups, including classroom arrangements, science laboratories, computer facilities, technicians, reference reading materials, and subscriptions to internationally reputed research journals. Teachers also make key contributions, both in facilitating learning and instilling confidence in students about their ability to start businesses and providing mentorship.

ENTREPRENEURSHIP EDUCATION IN INDIA

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). The Industrial Policy Resolution of 1956 has, for instance, a very strong emphasis on the SME sector. As the economy transitioned from being primarily agrarian into one that has significant contribution from other sectors, it was felt that the most pressing requirement was education that would enable need-based entrepreneurs to make forays into these emerging sectors. Consequently, 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 counselling institutions (NISIET, SISI, TCOs, EDI)
3. Financial institutions like SBI, IDBI, TDICI, RCTC, etc.
4. Development boards (STEPs, EDCs, TBIs).

ROLE OF B-SCHOOLS IN DEVELOPING ENTREPRENEURSHIP EDUCATION IN INDIA.



Business schools are well suited to providing exposure to entrepreneurship given that business and related aspects are part of the curriculum. Such educational institutions must showcase their ability to enhance the major scientific and technical competences required by their students to be competitive in the future. And today's business environments demand proactiveness and an entrepreneurial spirit, even among their employees .

The B-Schools are the most 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 up-liftment of their communities, understand protection and sustainability of the environment, and the improvement of the people's quality of life. The B-Schools are in a position to develop case studies on entrepreneurship practices relevance to Indian scenario. While doing this the students will gain new insights into the entrepreneurship and walk away not only with tools but also with a clearer sense of their role as drivers and facilitators of positive change in the society in the way they do business. To promote and develop entrepreneurship education, some B-School are starting entrepreneur education in their course structure. And most of the Bschoools are providing the electives in their course structure by which students will give their interest in that field and open their own enterprise. Courses in entrepreneurship at B-Schools are the core activity of Entrepreneurship Education in India.

A number of B-Schools offer courses in entrepreneurship. For instance, NMIMS conducts a two-year, fulltime program on family business management. Most of the courses cover the legal and managerial aspects of entrepreneurship. But the motivational aspect taught at NMIMS is equally important, since it creates an aspiration and improves confidence levels. This program has equipped students with the skills, knowledge, and mind-set to run their family business. The Indian School of Business (ISB) at Hyderabad is affiliated to non-profit organization Wadhvani 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.

Challenges:

Despite the recent trend for higher education institutions in India to provide support to student entrepreneurs, there remain several challenges to overcome, some of which are social and some of which are institutional. At a social level, Indian students are accustomed to being "job seekers", and the allure of a predictable monthly income (and the need to repay student loans) discourages them from considering entrepreneurship as a potential career. At an institutional level, offering students support and guidance in creating startups is a relatively a

new model for higher education institutions in India. Despite growth in this area, India's entrepreneurial ecosystem is still in an early stage and the number of higher education institutions offering programs in entrepreneurship and incubator facilities remains limited, especially given the size of India's population. It will take time for higher-education institutions to develop the required capabilities to provide consistently high-quality entrepreneurship education across the country.

These and other challenges must be overcome if India's Central Government is to realize its ambitious plans to promote entrepreneurship for quick economic development of the country, and higher education institutions are set to play a key role in those plans. Through the National Policy on Skill Development and Entrepreneurship, the government is relying heavily on higher education institutions to roll out programs and schemes for promoting entrepreneurship in the country. Also, the Finance Ministry is investing in venture capitalist funds to meet the equity requirements of startups and has set up an India Aspiration Fund to support the entrepreneurial ecosystem.

Conclusion

Entrepreneurship education and incubation (including mentoring) are the key areas in which higher education institutions can contribute directly to the quantity and quality of new startups and indirectly to the Indian economy. Entrepreneurship education through these institutions can help in increasing awareness of entrepreneurship as a viable career option and the support received through incubation can help student entrepreneurs overcome hurdles to starting and growing their businesses. In this way, the role of higher education institutions in India goes beyond just teaching and awarding degrees to more broadly influencing the economic development of the country.

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