

## **ENTREPRENEURSHIP: EMPLOYABILITY**

### **(ROLE OF ENTREPRENEURSHIP EDUCATION ON EMPLOYABILITY)**

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#### **INTRODUCTION**

The word entrepreneurship involves an entrepreneur who takes action to make a change in the world. Whether startup entrepreneurs solve a problem that many struggle with each day, bring people together in a way no one has before, or build something revolutionary that advances society, they all have one thing in common action. It's not some idea that's stuck in your head. Entrepreneurs take the idea and execute on it. Entrepreneurship is about execution of ideas. Entrepreneurship plays a significant role in the economic development of a country.. Entrepreneurship is the most powerful weapon in the hands of one to fight against poverty and unemployment. It is widely accepted by every, big or small country, that well motivated entrepreneurs are must for accelerating the process of economic development. Entrepreneurship acts as a catalyst for the economic prosperity of a nation as it leads to generation of employment, contribution in national income, rural development, industrialization, technological development, export promotion etc.

#### **LITERATURE REVIEW**

As entrepreneurship courses were very first provided in conventional business education (Kuratko, D. (2005). The emergence of entrepreneurship education: Development, trends, and challenges. *Entrepreneurship Theory and Practice*, 29, 577-598.10.1111/etap.2005.29.), consequently, much early research focused on exploring the already provided programmes (McMullan, W., & Vesper, K. (1987). New ventures and small business innovation for economic growth. *R&D Management*, 17, 3-13.

Vesper & Gartner, Vesper, K., & Gartner, W. (1997). Measuring progress in entrepreneurship education. *Journal of Business Venturing*, 12, 403-421.10. Only later did the interest in exploring the learner side emerge that aimed to understand how real-life entrepreneurs

learn and acquire entrepreneurial competencies (Morris, Webb, Fu, & Singhal, Morris, M., Webb, J., Fu, J., & Singhal, S. (2013). A competency-based perspective on entrepreneurship education: Conceptual and empirical insights. *Journal of Small Business Management*, 51, 352–369.10.)

## **ENTREPRENEURSHIP IN INDIA**

In India, entrepreneurship can prove as one stop solution for addressing the major problems like unemployment and poverty. Considering these benefits, various initiatives have been taken by the government from time to time for entrepreneurship development in the country such as Industrial Policies and Five Year Plans specifically focusing on the growth of small scale sector, setting up of Special Economic Zones (SEZs), setting up of Entrepreneurship Institutions, organizing Entrepreneurship Development Programmes (EDPs) and various Government Programmes and Schemes for the promotion of entrepreneurship like Pradhan Mantri Employment Generation Programme, Credit Guarantee Scheme, National Manufacturing Competitiveness Programme, Micro and Small Enterprises Cluster Development Programme, Technology Centre Systems Programme, Rajiv Gandhi Udyami Mitra Yojana, Khadi Reform Development Programme, Market Development Assistance Scheme etc. In spite of several initiatives taken by the government, entrepreneurs still face certain problems like lack of availability of finance, technical knowledge, managerial skills, availability of resources and infrastructure which obstruct the growth and development of entrepreneurship in the country. According to the research study conducted by NCAER (1993), lack of training and finance are the major problems faced by Small Scale Industries (SSIs) besides procedural hassles, administrative hurdles, lack of infrastructure and counseling. Vasper also found that there are many barriers affecting entrepreneurship and identified lack of seed capital as one of the major barriers. According to World Bank, India ranked 142nd among 189 nations in terms of ease of doing business. According to EY G20 Entrepreneurship Barometer, although India's rank is 11th while China ranked 3rd in terms of access to funding; India ranked last as far as education and training is concerned.

### **Entrepreneurship Education Effectiveness**

Generally, entrepreneurship education should be able to offer students with an understanding of a business purpose, structure and how the business interconnects with society and the economy. Entrepreneurship education should be able to impart skills that can be imparted through the educational system that enable individuals to develop new, innovative plans (Stevenson, 2001). Past studies have suggested that entrepreneurship education should start early within the education system (Kroon & Meyer, 2001). The entrepreneurial knowledge and skills gained through their entrepreneurship education are used over their lifetime (Raposo & Do Paco, 2011) as it encourages creative thinking and promotes a strong sense of self-worth and empowerment. Entrepreneurship education offered at university level is known to have a positive influence in creating a career prospect for graduates (Galloway & Brown, 2002).

### **Role of Entrepreneurship in Increasing Employment**

Entrepreneurship has often been cited as a key factor to improving economic growth in developing countries. Entrepreneurship is also seen as an important way to deal with issues relating to poverty, as entrepreneurship creates new jobs, fosters a climate of innovative thinking, and can lead to the launch of pioneering and cutting edge companies. There is also evidence to suggest that entrepreneurs create more employment than non-entrepreneurs. In turn, the establishment and growth of SMEs leads to the creation of jobs. As mentioned earlier, SMEs have been found to be responsible for a large percentage of the formal jobs in the developing world. Therefore supporting the creation of SMEs and their ability to grow into larger businesses can be an effective way to create jobs. Another key factor in strengthening economic growth in developing countries is innovation. While research on the intersection of entrepreneurship and innovation, particularly in developing countries, is in the early stages, there is nonetheless a consensus that entrepreneurship encourages high levels of innovation. Innovation is important because it can lead to more high-value productivity chains and technological change, resulting in a wider range and better quality of goods and services. Entrepreneurs stimulate innovation as they are responsive to potential new markets and seek opportunities to create new ventures, products and services. Nonetheless, better access to quality entrepreneurship education can have a beneficial impact on the success of entrepreneurs and thus the development and growth of innovative new businesses. Evidence of this impact is apparent in the case of a certificate in

entrepreneurial management program in Nigeria. This program, which was initiated in partnership with the Global Business School Network, has graduated over 1,300 entrepreneurs as of 2013 and is still growing. In a survey of 255 graduates, it was found that half of the graduates believed that the program had a significant effect on them, where nearly half of the respondents more than doubled profits after the third year in the program. The respondents stated that the program helped to develop their managerial skills and business networks. Increasing the number of students exposed to entrepreneurship can also be an effective way of improving the level of soft skills among all types of graduates. The kinds of practical competencies entrepreneurship training focuses on are as valuable to those seeking employment within existing organizations as they are to those seeking to start their own enterprise. Entrepreneurial training develops the right skills for the jobs being created, whether in formal employment or entrepreneurial self-employment.

### **Graduate Self-Employability**

Self-employment is a form of labour market status which may encompass wide range of different activities. Individuals may choose to be self-employed for different reasons, and as a result, the self-employed group may be highly heterogeneous. At one end of a possible spectrum, the self-employed may be identified as entrepreneurial, single employee micro-businesses. A substantial body of research investigates the self-employed as an entrepreneurs, using self-employment as an observable category which albeit, imperfect, identifies the stock of entrepreneurial talent in the economy. At the other end of the spectrum, self-employment may comprise a far less desirable state chosen reluctantly by individuals who are unable to find appropriate paid employment under current labour market conditions. For example, individuals wanting flexible working hours might choose self-employment if a paid employment contract offering sufficient flexibility is unavailable (Dawson, C, Henley A, and Paul L. Latreille 2009).

### **Entrepreneurship and Entrepreneurship Education**

Entrepreneurship emerged as an important concept in global economic transformation. Studies have shown that entrepreneurship process is a vital source of developing human capital as well as plays a vital role in providing learning opportunities for individuals to improve their skills, attitudes and abilities (Shane 2003, Brana 2008, Ekpo and Edet 2011).

Various scholars have given different definitions to entrepreneur. For instance, Nieman and Nieuwehuizen (2009:9) defined an entrepreneur as one who sees an opportunity in the market, creates, gather resources and grows a business venture to meet needs. Similarly, entrepreneurship has been viewed as “the willingness and ability of an individual to seek for investment opportunities, to establish and to run an enterprise successfully” (Suleiman, 2006 in Unachukwu et al., 2009:214). A more generally acceptable definition as postulated by Hisrich and Peters (2002: 10), view entrepreneurship as “the process of creating something new with value by devoting the necessary time and effort assuming the accompanying finance psychic and social risk, and reserving the resulting rewards of monetary and personal satisfaction and independence”. Importantly, a number of studies relating to entrepreneurship education and self-employment intention have reported that there is a significant relationship between entrepreneurship education and self-employment intention (Unachukwu et al., 2009; Emmanuel, 2012, Ekpo and Edet, 2013). It has further been argued that students who graduated in entrepreneurship reached higher scores in entrepreneurship intention and entrepreneurial self-efficiency than students who graduate in other discipline (Noel, 2001). Similarly in a study conducted by Wilson et al., (2007), it was revealed that entrepreneurship education serves a medium of increasing students’ interest in entrepreneurship career. In addition, some previous studies have reported findings on the impact of entrepreneurship education on career intentions and aspiration of tertiary students in Ghana; it was found that most people were motivated to a large or very large extent to start-up a business by virtue of their exposure to entrepreneurship training (Owusu-Ansah, 2004).

## **ANALYSIS**

The study shows that entrepreneurship education stimulates the intentions of individuals to become an entrepreneur. Looking forward to a transition to entrepreneurship significantly more entrepreneurial alumni are aiming for a transition towards entrepreneurship than the alumni in the control group. INDIAN alumni are the most eager to become an entrepreneur. Preference for paid employment versus self-employment around 57% of the INDIAN alumni and 55% of the entrepreneurship alumni have a preference for being self-employed, whereas 42% of the control group prefer to be self-employed. So, there are many potential entrepreneurs. Entrepreneurship motivational factors in educational courses intense them to

engage in entrepreneurship than to work under the control and ownership of others. The benefits of entrepreneurship and ability to improve risk taking induce them to go for the entrepreneurship. The techniques to diversify the risk by investing in different pools encourage them to invest in different-different sectors in orders to maximize the profitability. But all this is possible only when we educate them the theories of entrepreneurship with their courses and introduce a degree or diplomas on entrepreneurship.

Variable	Dimension	No. of Items	Mean	Std. Dev.	Level
1 Entrepreneurial Motivational Factors	a. Behavioral control	8	3.81	0.72	Very Good
	b. Subjective norm (Tolerance for risk)	6	3.62	0.77	Good
	c. Attitude on self-employment (Desirability)	5	3.66	0.68	Good
2 Entrepreneurship Career Intention	a. Entrepreneur Immediate Term Career Intention	9	3.34	0.77	Good
	b. Entrepreneur Career Intention in the future	3	3.34	0.81	Good

(N=210); Range is based on Likert Scale of 1 to 5 where 1.00-2.33 = Low; 2.34 - 3.66 Good and 3.67 - 5.00 = Very Good)

## PROBLEMS AND RECOMMENDATIONS

### Lack of personalization

Education has stayed a 'one size fits all' model since the industrial revolution. With current progress and research, we know that it isn't as effective. Everyone learns at different levels depending on their abilities, their background and their access to learning materials. Each student struggles in different subjects and even different areas of each subject. EdTech can aid teachers and students and their skills for learning through which students can take more advantage with practical concepts.

### Lack of engagement

Technologies such as AV systems and video are equally important. While they may not bring people online, they are mediums that can make learning more interesting. Books and papers have become things of the past. Bringing new methods of learning into the classroom can encourage children to stay in school and learn further. These e-teaching methods, more

interactive sessions, seminars build their confidence and encourage them to go for entrepreneurship.

### **Lack of vocational training**

Former president APJ Abdul Kalam said that “unemployability” of a majority of Indian youth, which was a result of skill deficit, was a bigger crisis than unemployment itself. Education in India is oriented towards gaining a degree. Unlike in the west where business degrees are meant for experienced professionals, Indians pride themselves on continuous education and salary comparisons. Little thought is given to actual skill building. This results in bright career outcomes and increases the employment opportunities.

### **Conclusion**

It is clear that India has gaps in the education sector. These cannot be solved by the system alone. Entrepreneurship in education is vital to bringing inclusivity, reducing knowledge inequality and ushering digital learning. But maybe the answer to education will arise out of education itself? Outside of formal programs, it is necessary to encourage entrepreneurship in schools and colleges. The spirit of creativity has been lost in generations of rote learning. Not all changes are equal. A change in education will determine the future of a nation. Only when teachers and the system alike encourage innovation, we will see more progress in the education industry.

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