



The Study of Significance of Formal Education in Promoting Entrepreneurial Spirit

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Abstract: Entrepreneurs usually have leadership skills, drive, creativity and an extreme desire to succeed in their own business. These individuals are also risk takers. People who do not possess at least some of these traits may not have what it takes to become an entrepreneur. However, without the proper formal education, all the talent in the world may not be enough. There are certain courses that individuals should take to learn how to run their own business. Moreover, there are MBA (Master of Business Administration) degrees that are specifically designed for the aspiring entrepreneur. According to Karam Lakshman, program

manager - iAccelerator, "IIM Ahmedabad believes that entrepreneurship formal education seeks to provide students with the knowledge, skills and motivation required to encourage entrepreneurial success and lay down the conditions and solutions to the challenges that one might foresee in a venture". "Business is the backbone of a country's economy and entrepreneurship is a tremendous force that has a huge impact on facilitating growth, recovery and societal progress. It results in innovation, employment generation and social empowerment. In India, entrepreneurship formal education is gradually picking up. That said, it needs to scale up further to make everyone involved – promoter, investor, parents, employees, etc - more aware about the different aspects," he expresses. According to Dr Harsh Mishra, associate professor, strategic management, Management Development Institute (MDI), Gurgaon, there is a need for B-schools to have entrepreneurship focused courses and programs. "Before even experiencing the status quo as an employee, formal formal education in entrepreneurship makes a case for early intervention by exposing students to successful stories, the underlying rationale or theory as well as the science and mechanism for tapping and developing their entrepreneurial instincts," says Mishra. Many organisations offer full-credit courses in entrepreneurship and are also establishing a business incubator that could provide the opportunity to several new entrepreneurs to germinate their ideas into a business enterprise. According to Mishra, courses and programs on entrepreneurship are often interdisciplinary and an MBA program with entrepreneurial focus encourages students to crystallise, test, self-critique and gain confidence in their own ideas to move forward. Many experts feel that B-schools must encourage entrepreneurship, but a student before opting for such courses, must analyse his/her own personal entrepreneurial capacity. Before starting up a venture, one must evaluate their entrepreneurial idea to meet the existing market need or a new emerging market demand, become

aware of the legalities involved and various support systems in the eco-system for entrepreneurship and must not be obsessed with the desired financial outcome. Starting one's own venture is never an easy task but a formal training could teach a person the nuances of the journey. That is why entrepreneurship formal education is gaining such momentum in recent times.

Key words: Entrepreneurs, spirit, formal, formal education, business, momentum, economy, financial.

Introduction

Entrepreneurs are creative, innovative, risk taking, dynamic, flexible, and brave, opportunity recognizer, and leadership potentiality, and network builder, independent and self-reliant people. Entrepreneurship is a key factor on (1) Economical Growth and Development of countries (2) Providing employment and job opportunity (3) Enhancing productivity and production capabilities (4) Contributing to the high levels of creativity and innovation and (5) Creating wealth and providing educate welfare. All new ideas and knowledge should be converted to profitable and useful products and services. And formal education for creativity, innovation and entrepreneurship should start from very early stages of childhood. This research is about role of formal education in Entrepreneurship development. This research is consisted of a main hypothesis based on There is a meaningful relation between formal education and Entrepreneurship development.[1]

Cut-throat competition and growing commercialisation have triggered most universities these days to introduce new ways to engage and inculcate learning in students. You will find that most business schools today run their own business plan competition or entrepreneurship program or a Bachelor of Entrepreneurship course to the least. Some institutions are trying to punch above their weight by setting up their own business incubators to offer seed funding. Although this cannot be compared to a VC backed venture support system, it can be very beneficial to put a first step into the entrepreneurial ecosystem. Most successful VC firms like Y Combinator picks up ideas by linking with large universities like MIT to capture the biggest venture ideas. The story of Reddit began when the two founders met Paul Graham during their university life and got accepted by Y Combinator after a couple of failed attempts.

When you are sitting inside a classroom amid of a bunch of pupils, potentially, you are surrounded by a group of future leaders – some would be leaders of MNCs, while some might run their own venture or some could even run a nation – but all of them will eventually create their own position in one way or another. The university life is a great opportunity for fresh minds to build a peer support network, which will continue to nurture a healthy and productive professional network for the rest of one's life. Take a look into famous startup tales, and you will find that most of the co-founders met during university life. If you do not know the stories of Facebook, DHL, Google, AirBnB and how their co-founders met, you may be still living inside a cave![2]

Needless to say that experience is our best teacher; but, learning theories through formal formal education has its own importance. The business world out there is fiercely competitive these days as compared to what it used to be only 10 years ago, when you could afford to learn from making mistakes after getting into the combat ground. But now-a-days you need to become totally equipped with all the tools to undertake business so you can defend yourself against your competitors – otherwise, one mistake can throw you miles away from the market. So, the knowledge on important theories, such as Five Forces, Break-even Analysis, Design thinking, RoI calculation and heaps of other theories can all add up to the formation of a great entrepreneurial mindset.

When you sit inside a library what do you see? Is it only books? Yes, perhaps it is only books. But there is another thing that is associated with the books – an inducement to stimulate your intellectual self, which needs nurturing and a conducive environment to learn. The lecture theater, company of peer-

learners, scholarly environment of a library space, dorky professors can all bestow you with a perennial source of knowledge and feed your intellectual self. When you sit under a tree inside your university campus on the lush green grass, it inculcates a natural sense of joy, peace which can elicit new ideas – who knows an apple may fall on your head too!

During the university life you can take part in a range of activities, such as debating, being coordinator of group projects, or volunteering for a social cause – all of which can help to promote alternative skills. And, let's be honest! How many people eventually can rise to the peak of entrepreneurial glory? Statistically, only 5% or even less. A vast majority of the remaining 95% will end up doing a job for any employer, which is also crucial to keep the economic wheel turning. That may not sound as cool as "I am an entrepreneur", but this should not put you down thinking that you are a failure. You can still show your charisma of being a great manager or a great leader or even an "Intrapreneur" while working for an employer. In fact, most of the high performing ventures like Google were able to rise to the peak of glory only due to promoting intrapreneurial capacity of their employees by applying 80/20 policy to foster enterprise-wide creativity and innovation. Formal formal education can help to cultivate creativity and team-work, which are both essential in capacities to shine in the organisational life.[3]

Discussion

Entrepreneurs are made, not born. It is true that not everybody has the same entrepreneurial spirit, some people are more entrepreneurial than others.

However, entrepreneurial skills can be learned, nurtured and improved. This is the crucial principle that is accepted by the Macedonian government, mirrored in many activities, projects and strategic policy documents.

The central strategic document related to entrepreneurial learning (EL), which was adopted recently, is Entrepreneurial Learning Strategy of the Republic of Macedonia 2014-2020 (EL strategy is developed with support from The European Training Foundation, Turin) . The EL ecosystem foreseen in this strategy consists of 5 central pillars: primary, secondary, higher and non- and in-formal formal education, and young entrepreneurs. The EL strategy requires strengthening of the systematic approach in building entrepreneurial formal education institution through strengthening of the managerial systems and building strategic alliances in a formal and informal way with businesses and local community. This indicates that the government's intentions are to foster both: formal and non-formal/in-formal ways of entrepreneurial formal education and training.[4]

Informal formal education is a spontaneous process of learning through conversation, exploration and enlargement of the experience, while the formal and non-formal ways are planned, organized and structured formal educational processes. The non-formal entrepreneurial formal education has some advantages, such as: flexibility, project-oriented, more interestingly implemented, but on the other hand it is dependent on available funds.

India now aims to promote entrepreneurial thinking massively. For that purpose, it uses formal formal education as a vehicle for teaching entrepreneurship in a more organized way and delivering it systematically to every young individual in the country. The transformation of formal formal education toward something more entrepreneurial and innovative started from secondary formal education, with the introduction of the subject Business and Entrepreneurship in the 4th year of secondary schools in 2007. Few years later, (2012), a new mandatory subject entitled Innovation and Entrepreneurship was introduced in 1st, 2nd and 3rd year of secondary schools.

Starting in 2013, primary formal education also experienced innovative transformation, by injecting the Innovation and Entrepreneurship topic in six regular subjects (mathematics, physics, chemistry, biology,

arts and informatics) for 9th graders. All these activities were supported with extensive teacher training courses.[5]

The most recent (Feb 2015) actions for enhancing EL, were revisions undertaken by a mixed expert group of the school curricula in order to ensure an overall match between the entrepreneurial subjects taught in school and the real needs of students and labor market.

To redesign the curricula of the five entrepreneurial subjects, the expert group developed a methodology that could be summarized in the matrix presented in the Annex 1. Each of the subjects is divided in five themes, providing gradual expansion of students' formal knowledge, but also facilitating the students to interact with their environment and community, learning practically through informal formal educational methods. The application of this methodology for revising the curricula for entrepreneurial formal education ensures a step-by-step evolving formal education experience for the Macedonian youth, blending together both formal and informal formal educational ways.

Now we are faced again with the same dilemma, which way is better: formal or non-/in-formal entrepreneurial formal education and training. We definitely need both to have a bigger impact – formal entrepreneurship formal education in primary and secondary schools, and different forms of non-formal/in-formal types of entrepreneurship formal education (trainings, camps, summer schools, competitions, weekend trainings, evening classes, mentoring, tutoring, bootcamps, etc.)

We need all of these in order to change our youth mentality. So, please not use VS., or, OR, but AND – Formal AND Non-/In-formal entrepreneurial formal education and training for better future of our children.[6]

One fundamental importance of secondary formal education to the economy is the demand for better educated and skilled youth entering the world of work to meet the complexities of a fast-evolving world. What skills and knowledge the secondary school graduates leave school with determines how successful they would be at the workplace. Countries assume that entrepreneurship is a way out for declining economies and stagnating ones. Entrepreneurship is crucial for socio-economic development, considering the number of opportunities that boost countries' economies. Entrepreneurship formal education equips individuals with entrepreneurial capability and skills; it impacts entrepreneurship intention and must be part of Secondary schools' curriculum. The need for incorporating entrepreneurship formal education in Secondary Schools is to spur increasing employment opportunities for the youth and economic growth in general. For more remarkable results, entrepreneurship formal education needs to be trickled down to Secondary Schools. Various policies for promoting youth entrepreneurship to solve youth unemployment and transition to employment are formulated in different countries. This paper argues that the government should not wait for the youth to complete their formal education before providing entrepreneurial formal education. It should start right away while the youth are in Secondary school. Entrepreneurship as a secondary school subject can encourage some students to become entrepreneurs after graduation from school rather than looking for non-existent government jobs. Consequently, entrepreneurship as a subject is likely to encourage self-employment among youth as they develop a positive attitude toward self-employment, personal responsibility, and self-reliance. India has a deep-rooted culture of graduates who always expect the government to provide them jobs instead of creating jobs for themselves. This mentality must be uprooted, and entrepreneurial studies would be a long-term approach to accomplish that goal at the secondary level. A proper private sector development is an idea that must be sown among the youth in their early schooling career to develop businesses, hence a market economy.[7]

Results

Formal education has three separate but closely related purposes, namely: ideological purpose, economic purpose, and aesthetic purpose, and as such, curriculum content should endeavor to address them all. One

of the ideological purposes of formal education is to act as an agent of social reconstruction or change or a conduit for transmitting cultural norms and values. In keeping with the purposes of formal education, the curriculum content of the entrepreneurial studies for secondary school formal education consists of, but not limited to, the following elements:

- The role of entrepreneurs in the economy; characteristics of entrepreneurs;
- Exploring differences between entrepreneurs and employees; identifying business opportunities;
- Differences and similarities between entrepreneurs and intrapreneurs;
- Generating ideas; preparing business plans; budgeting and financing business opportunities; strategic planning concept;
- Business registration process; business ethics; export procedures and cultures;
- Marketing and pricing products; identifying domestic and international markets; business innovations and creativity;
- Preparing, understanding, interpreting financial statements;
- Product quality and cost control; problem-solving; teamwork; and
- Business strengths and weaknesses; business solutions.[8]

Approaches to entrepreneurial studies combine theory with experience and practice: emphasizing a hands-on approach to learning activities, learning from other entrepreneurs through interviews and personal interactions, researching business problems, case studies of businesses, presentation skills, apprenticeship with entrepreneurs, group discussion, and problem-solving. In organizing entrepreneurship formal education in this manner and delivering the curriculum, the following objectives are expected to be accomplished::

- To provide practical and theoretical knowledge of how to set up and run small and medium-size businesses; This includes attitude, beliefs, values, and behavioral patterns of entrepreneurs;
- To inculcate the mindset for innovation, creativity, strategic planning skills, and knowledge that are suitable for the various sectors of the economy the students would be working in future;
- To prepare entrepreneurship students to become entrepreneurs, business managers, consultants, researchers, and entrepreneurship professors at the secondary level.

Therefore, formal education at secondary and tertiary levels should prepare its graduates for the rapidly changing world. For least developed countries like India, the need to create a labor force for existing and new innovative labor markets is enormous. Thus, providing a type of formal education that develops entrepreneurial competencies in its students is paramount. Most youth at that formal education level would be more interested in entrepreneurial studies with a definitive purpose because of their practical nature. Youths with enthusiasm, motivation, risk-taking, flexibility, energy, resourcefulness, and willingness to try new things are an excellent target for entrepreneurial formal education. Hence, most secondary school students are more likely to embrace entrepreneurship as a subject of study. The formal education system needs to be reformed to meet the needs of upcoming job markets. This study asks the most important players of an formal educational system what must be done to guarantee future graduates high-quality entrepreneurial skills.[9]

Entrepreneurial skills centre around attitudes (soft skills), such as persistence, networking and self-confidence on the one hand and enabling skills (hard skills) on the other hand, including basic start- up knowledge, business planning, financial literacy and managerial skills. Effective entrepreneurship formal education policies and programmes focus on developing these entrepreneurial competencies and skills, which are transferable and

beneficial in many work contexts. The aim is not only to strengthen the capacity and desire of more individuals to start their own enterprises, but also to develop an entrepreneurial culture in society.

Policy options (recommended actions):

- Mainstream the development of entrepreneurship awareness and entrepreneurial behaviours starting from primary school level (e.g., risk taking, teamwork behaviours, ...)
- Promote entrepreneurship through electives, extra curricular activities, career awareness seminars and visits to businesses at secondary school level
- Support entrepreneurship courses, programmes and chairs at higher formal education institutions and universities
- Promote vocational training and apprenticeship programmes
- Promote and link up with entrepreneurship training centres[10]

Develop effective entrepreneurship curricula

Policy options (recommended actions):

- Prepare basic entrepreneurial skills formal education material
- Encourage tailored local material, case studies and role models
- Foster interactive and on-line tools
- Promote experiential and learning- by- doing methodologies

Train teachers

Policy options (recommended actions):

- Ensure teachers engage with the private sector and with entrepreneurs and support initiatives that bring entrepreneurs to formal educational establishments
- Encourage entrepreneurship training for teachers
- Promote entrepreneurship educators' networks

Strengthen the institutional framework

Policy options (recommended actions):

- Designate a lead institution
- Set up an effective coordination mechanism and clarify mandates
- Engage with the private sector and other stakeholders
- Ensure business-like service delivery

Partner with the private sector

Policy options (recommended actions):

- Encourage private sector sponsorship for entrepreneurship training and skill development
- Link up business with entrepreneurship formal education networks
- Develop mentoring programmes[11]

Conclusions

Entrepreneurship formal education is considered as one of the most influential forces that determine the health of the economy. Hence, ignoring controversies on whether entrepreneurship can be taught, the majority of the top business schools in India offer entrepreneurship formal education with tailored elective courses to inculcate a wide range of skills encompassing a multi-disciplinary approach among mature management students. However, considering the basic synergies of core management subjects such as marketing and entrepreneurship, both of which provide an opportunity to develop unique solutions to satisfy customer needs, the study of entrepreneurial aspects as a prerequisite for management formal education and research seems indispensable when specifically catering to the growing entrepreneurial intent in developing economies.[12] This approach necessitates a compulsory initiation of entrepreneurship courses early in the curricula of contemporary business schools. In this context, aims to qualitatively review the current entrepreneurship formal education regime in India to propose an effective ecosystem for integrating and promoting entrepreneurship formal education as fundamental to mainstream business formal education in India.

The growing reliance on entrepreneurship as an antecedent to sustainable economic growth in developing nations seems to have passed the test of time. Historically, the many cases of failure scoring over the relatively few success stories with respect to the practice of entrepreneurship across the globe establish that, at a micro level, simply motivating the spirit of entrepreneurship is just not enough. Sound knowledge on the ways and means of doing business coupled with the right perspectives on the practice of innovation and cutting-edge ideas increases the probability that we will hear more success stories about business ventures in this fiercely competitive domain.[13]

In emerging economies such as India, there is an urgent call for the development and promotion of effective indigenous entrepreneurship formal education systems. Although entrepreneurship is a practice-driven subject, the need to supplement it with contemporary theoretical knowledge is of paramount importance. Furthermore, 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 of business management 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 formal education ecosystem is surely the need of the hour and it requires a greater focus on knowledge creation to support the framework.

Thus, this attempt to develop a working framework for an entrepreneurship formal education ecosystem in India, supported by preliminary inputs and evidence, should therefore be considered as a conceptual beginning to work out an improvised design with further validation of the concepts. Future research ideas to facilitate the adoption and further development of the framework with empirical results and confirmations will not only add to the existing research base on entrepreneurship but will also aid the policy makers of a developing nation.[14]

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