

IMPACT OF ENTREPRENEURSHIP DEVELOPMENT PROGRAMME ON ENTREPRENEURSHIP DEVELOPMENT

Miss Sindhu Kumari Chauhan^{#1}

[#]Faculty of Business Administration,

Yogoda Satsanga Mahavidyalaya, Dhurwa, Ranchi

¹E-Mail: sindhuchauhan1@gmail.com

Abstract— With the world moving towards the 21st century – an era of technological advancement and achievement, entrepreneurship development finds a crucial role in every Organisation. There is a need for a broad-based entrepreneurial class for speeding up of active participation of factors of Production, dispersal of economic activities, creating Employment Opportunities, thus leading to economic growth. The urge for motivational drives are injected into entrepreneurs and ability to tackle risks during uncertainties are developed through well planned entrepreneurship Development Programmes. A qualitative and effective training program supported with a feedback mechanism can help in developing Entrepreneurial skills. The Trainers and their effective Orientation are key elements in an Entrepreneurship Development Programme (EDP). It is required to integrate various educational Sciences with entrepreneurship theories so that the learners can better understand the conceptual foundation of many educative practices employed in the field of education. It is important to foster creativity and entrepreneurial skills to focus new ideas for promotion of new industries. Different researches done on entrepreneurship show that entrepreneurs with a good entrepreneurial education have grown more successful than those with less entrepreneurial education, and even more successful when entrepreneurial education combines with experience.

Keywords— Entrepreneurship Development programme, Entrepreneurship development, Entrepreneurial education

I. INTRODUCTION TO ENTREPRENEURSHIP

The word entrepreneurship is used in reference to the individuals who are ready to carry out venture involving risk. The word entrepreneur has been derived from the word "entrepreneur", which means "to undertake or start something". An entrepreneur is one who leads others in an excellent way. He is a pioneer who constantly seeks to bring drastic change to their generation. Many researchers argue that entrepreneurship is still a field having no clear boundaries and that it lacks a clear conceptual framework. The entrepreneur alone has to utilise the opportunities,

attain recognition and fully utilise resources, although the opportunity depends on the type of entrepreneurship (Shane & Venkataraman, 2000). There are many different types contingent upon environmental and personal circumstances (Ucbasaran et al., 2001); Entrepreneurs are not distinctive, there is unrealistic preconceptions about "non-entrepreneurs" that they maintain laudatory portraits of entrepreneurs.

Entrepreneurs can be differentiated into few categories like Darwinians, Communitarians and Missionaries. These types of entrepreneurs not only have diverse views full of new ideas and encouragement for others, but also are ready to create new business ventures.

II. ENTREPRENEURSHIP DEVELOPMENT PROGRAMME

About 50 years later, as many as 120,000 North American students are participating in entrepreneurship courses (Katz, 2003). In all the countries the world over strong growth in entrepreneurship courses and professorships can be observed throughout.

It has been found that there are four different kinds of entrepreneurship education programmes. The first category, "Awareness and Education", which focuses on deep penetrated knowledge about entrepreneurship and motivate people to go for it. The second category is described as "knowledge for starting Enterprise", it is for the small entrepreneurs who have business ideas and need to convert them to business opportunities. The third category, "Promoting Dynamic qualities", focuses on young entrepreneurs who have already started the business and wants to

make a dynamic change. The last category "Continued Education" states the ongoing education programmes and lifelong trainings and it basically focuses the experienced entrepreneurs. Entrepreneurial Development Programme is designed to help a person in strengthening and fulfilling his entrepreneurial motive in acquiring skills and capabilities necessary for playing his entrepreneurial role effectively. EDP is primarily meant for developing those first –generation entrepreneurs, who on their own cannot become successful entrepreneurs. It covers three vital factors: plant layout, target customers, and the business project .Any of these can become the focus or starting point for initiating and implementing an EDP.As for example, if the objective is to promote women entrepreneurs, then suitable location and proper entrepreneurial activities must be related or if the objective is to develop North-East region, then the potential target group and feasible entrepreneurial ventures must follow.

III. OBJECTIVE OF ENTREPRENEURSHIP DEVELOPMENT PROGRAMME

- 1) Promote the development of small and medium scale enterprises that would encourage self –employment among potential entrepreneurs.
- 2) Providing, in rural areas, special programmes should be designed to stimulate new ventures and encourage expansion of existing activities of small and medium industries.
- 3) Generation of employment and self-employment opportunities in the processing of indigenous raw materials
- 4) Developing entrepreneurial opportunities for potential entrepreneurs and up gradation of managerial skills for existing entrepreneurs.

IV. NEED OF ENTREPRENEURSHIP DEVELOPMENT PROGRAMME

- Creating awareness regarding enterprise start-ups and self-employment as a means of career planning for students
- Developing optimistic attitudes towards creativity, enterprise start-ups and starting own business.

- Instilling in the minds the entrepreneurship values to all growing Entrepreneurs (young & old, male & female)
- To provide entrepreneurs with entrepreneurial skills to help them run and manage their income generating activities and job creation.
- Motivating to start new ventures and support other small enterprises.
- Developing different competent skills required, logical thinking, decision-making and accountability among others.

V. LITERATURE REVIEW

"...in general, there was a significant and positive correlation between participation in educational programs and selection into entrepreneurship" (Dickson et al., 2008: 245) or "Although most studies vary in terms of approach and theoretical orientations..., their results seem to conclude that entrepreneurship education has some positive impact on students" (Mwasalwiba, 2010: 35).

With these initial observations in mind, the literature review will be guided by the following questions:

A) What are potential reasons for differing results in entrepreneurship education impact studies?

B) What is the research gaps identified in the current strands of literature?

Entrepreneurship Intention Theories

Entrepreneurial Intention

"Entrepreneurial intent is substantially more than merely a proxy for entrepreneurship - it is a legitimate and useful construct in its own right that can be used as not just a dependent, but as an independent and a control variable."

Source: Thompson (2009: 670)

Intention models belong to the umbrella of social cognitive theory, proposed and developed by Bandura (1986). It should be remembered that the activities that an individual does is governed by himself. Human behaviour can be understood, predicted and changed. Intentions will mean when a person is positively motivated and makes serious attempts to give a shape to his plan. Entrepreneurial intention is hence a person's

motivation to make a conscious plan to perform the behaviour of setting up a business. Thompson (2009) defines entrepreneurial intention as "self-acknowledged conviction by a person that they intend to set up a new business venture and consciously plan to do so at some point in the future". Thus, entrepreneurial intention is not merely a yes or no question but can range from very low, zero, to a very high level of intention to set up a business.

Overview of Theories

Based on a literature review examining the theories used in the context of entrepreneurial intention and entrepreneurship education, the most often used theory is **Icek Ajzen's theory of planned behaviour** and the **entrepreneurial event model by Shaper & Sokol** is used in a number of studies.

With respect to these theories two further contributions have been taken into consideration specifically for the theory of planned behaviour:

First, the concept of self-efficacy developed by Albert Bandura (1986)

This concept is defined as "people's beliefs about their capabilities to produce designated levels of performance that exercise influence over events that affect their lives" (Bandura, 1994:71). This concept has widespread use in Entrepreneurship Intentions related research and is often equated with perceived behavioural control in the theory of planned behaviour and perceived feasibility in the entrepreneurial event model.

The second contribution is Bird's model of intention, developed by Barbara Bird (1988)

This model highlights the importance of intentions for organizational development and for the implementation of entrepreneurial ideas (Bird, 1988).

It assumes that intentions are a blend of rational, analytic, cause-effect thinking and intuitive, holistic, contextual thinking. The model was further developed by (Bird & Jelinek, 1988; Boyd & Vozikis, 1994); however, it lacks empirical validation (Fayolle et al., 2006).

Theory of Planned Behaviour

The theory of planned behaviour has its roots in the theory of reasoned action (TRA), which was proposed by Fishbein and Ajzen in 1975/80 (Ajzen & Fishbein, 1980; Fishbein & Ajzen,

1975). The theory consists of three major constructs, 1) the behavioural intention that depends on 2) subjective norms and 3) attitudes. The stronger the positive attitudes toward a behaviour are and the stronger the social norms toward behaviour are, the stronger the behavioural intention is. If the intention is high, the individual is likely to perform the specified behaviour.

Behavioural intention (BI) measures the strength of the intention to execute a specified behaviour. Subjective norms (SN) describe the pressure from peers or friends to comply with specific norms. Attitudes (A) consist of expectations about the consequences of performing a specified behaviour. The TRA can be simplified in a mathematical formula:

$$BI = SN + A$$

The TRA was further developed in 1991 by Ajzen. He proposed the theory of planned behaviour (Ajzen, 1991). One major development in this development was the addition of a third attitudinal determinant of behavioural intention, **perceived behavioural control** (Ajzen, 2005).

The theory assumes that specific actions are preceded by a conscious intention to act in a specific way. Furthermore, intentions are dependent on attitudes that are affected by

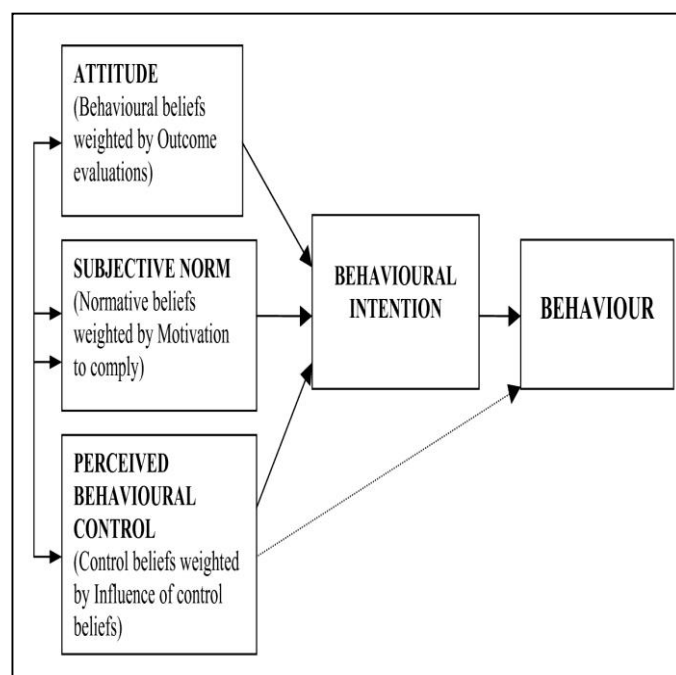


Figure 2 - Ajzen's Theory of Planned Behaviour
Source: Ajzen (1991: 182)

previous life experiences, personal characteristics and perceptions drawn from those experiences (Ajzen, 1991). The theory of planned behaviour consists of three attitudinal antecedents of intentions:

Attitude toward behaviours equivalent to the attitude concept in the TRA and refers to the degree to which a person thinks positively about performing certain behaviour. It represents the degree of desirability and includes expectation of outcomes resulting from this behaviour (Krueger Jret al., 2000).

Subjective norms refer to the social and cultural pressure to perform a specific behaviour. Important in this respect are friends', the family's peers', networks' or mentors' expectations about the desirability of, for example, becoming an entrepreneur.

Perceived behavioural control overlaps with Bandura's concept of self-efficacy (Bandura, 1986) and is a measure of the individual's perceived ability to perform a specified behaviour (Krueger Jret al., 2000).

Hence, the Theory of Planned Behaviour can be simplified in a mathematical formula:

$$BI = SN + ATB + PBC$$

Shapero and Sokol's Entrepreneurial Event Model

When Shapero and Sokol introduced their entrepreneurial event model (EEM) in 1982, they did not propose it as an intention model, but it was quickly seen and used as such in the literature (Kermit, 2008). The aim of the model is to provide an explanation for the processes that lead to an entrepreneurial event, that is, the moment of launching a new business (Kollmann & Kuckertz, 2006). The model assumes that inertia guides human behaviour until some event "displaces" that inertia and unblocks previously undesired behaviours. For example, a displacement, such as job loss, might alter the perception of the desirability to become self-employed. Shapero and Sokol (1982) classify these life path changes into three categories:

First, negative displacements such as being fired, insulted, angered, bored, reaching middle age, getting divorced or becoming widowed. The second category refers to the students who have graduated from the University or passed High school. At this point of time they do not have any

clear idea about entrepreneurship so the Entrepreneurship development programmes are a great help to them. It also includes people who have retired from military and those who have completed their imprisonment. They want to start their own ventures. The Entrepreneurship Education Programme is a great deal of help for them. The third category is regarding the positive attitude, sometimes an entrepreneur may be ready to take risks and go far a new venture due to positive pulls from the partner, mentor, investor or customers. Thus, if a displacement event triggers cognitive processes and changes perceptions of feasibility and desirability, the individual may act if the credibility of the specified behaviour is higher than that of the alternatives and if the individual has a general propensity to act on that action

Perceived desirability refers strongly to values and how they will ultimately put impact on the individual's perception of what is attractive or desirable and what is not. Shapero and Sokol (1982) identify culture, family, peers, colleagues, mentors and previous work experience as factors that strongly influence personal values and the perception of desirability. Perceived desirability is closely related to "subjective norms" in the theory of planned behaviour.

Perceived feasibility indicates to which degree someone feels personally capable of, e.g., starting a business. The concept of perceived feasibility is similar to Bandura's self-efficacy, which is often used as a measure of perceived feasibility.

Propensity to act is the personal disposition to act on one's decision. Conceptually, Shapero and Sokol (1982) suggested an internal locus of control as a measure of the propensity to act. There is no agreement as to how to best measure propensity to act.

VI. IMPACT ON ENTREPRENEURSHIP DEVELOPMENT

Key Competence

Entrepreneurship development promotes preparation of individuals to become responsible, who have the attitudes to tackle challenging jobs, skills and enough knowledge to achieve organisational goals. The entrepreneurship keycompetence is a composition of an

entrepreneurial attitude, entrepreneurial skills and knowledge of entrepreneurship.

Impact of entrepreneurship programmes on the individual's employability

Overall, entrepreneurship education seems to have a positive effect on the employability in terms of job experience, creativity in the current job and annual income earned of the alumni presently in paid employment.

Impact of entrepreneurship programmes on society and economy

Entrepreneurship Development Programmes educates the young and dynamic entrepreneurs which helps in improving their skills and knowledge which has an adverse impact on both the individual and society. It brings an overall development in the economy of the country and also improves the social and personal life of the entrepreneur. A more entrepreneurial role will be played due to entrepreneurship education.

The effects of entrepreneurship development programmes are tremendous. It affects the entrepreneur positively due to which he is ready to take initiative to start other non-commercial projects apart from his business. On the other hand, higher participation in voluntary work seems to be limited.

VII. ISSUES IN ENTREPRENEURSHIP PROGRAMME

- 1.) The Structure and Composition of EDPs is a key issue. It should have a practical content with inter-institutional organisational arrangement to make it a success.
- 2.) ED Programmes should be linked with support activities.
- 3.) There is often lack of specialists' support.
- 4.) There should be proper availability of inputs and research facilities.

VIII. CONCLUSION

It is now well recognised that entrepreneurs can be developed through appropriately developed entrepreneurship development programmes. These programmes broadly envisage a three-tiered approach: developing achievement

motivation and sharpening of entrepreneurial traits and behaviour, project planning and development. It provides assistance in gaining knowledge about the first mover advantages required in Industrial sector. It also provides guidance regarding the laws, rules and regulations and developing managerial and operational capabilities. The need of the hour is to develop genuine and non-imitative entrepreneurs to accelerate the process of Industrialization. The need of the hour is for stimulating innovation and the entrepreneurial spirit to support the development of new ideas through new and mature enterprises.

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