



# Analyzing The Role Of Higher Education Institutions In Entrepreneur Development

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## ARTICLE INFO

## ABSTRACT

It is true that education assists people to operate more efficiently. It improves an individual's knowledge, skills, and capacities, preparing them to attain their goal. Business education, among many other educational disciplines, is more significant in emerging countries. It instills abilities and skills in individuals, enabling them to run and establish new business enterprise. It is a significant aspect in creating employment possibilities and accelerating the country's economic progress. Educational institutions play a significant role in developing young entrepreneurs' capacity by providing them with high-quality entrepreneurship education. A survey found that educated people are more inclined to establish their own enterprises. It was also observed that just 9.3% of youngsters are running their own enterprises, whereas 46.5% of younger people who received entrepreneurship instruction from higher educational institutions are managing their own firms, in contrast with 30.9% of younger people who did not receive higher education. The study looks on the impact of educational institutions on the growth of young entrepreneurs. This study is based on data collected during the large-scale project assessment 2022-23, which was conducted in Hyderabad. During the poll, 2,689 young individuals aged 15 to 29 were interviewed.

**Keywords:** Higher Educational institutions, Entrepreneurial education, Start-ups, Economic progression.

## Introduction

Education provides individuals with insight into developing new ideas to fulfil job. It educates people on societal issues and teaches them how to deal with and solve societal problems. It assists individuals in making decisions about the future and transforming present into tomorrow in accordance with their plans. It is a typical observation that educated people require less time to comprehend the intricacies of systems over less educated ones. Thus, educated individuals will be more likely to operate productively. A person's level of educational knowledge is determined by the role and quality of the institution that educates them. Educational instruction creates chances for young people by providing a platform for professional development. Educational institutions play an important role in the professional and personal growth that is of newcomers. It educates newcomers on new government rules and regulations, as well as business association policies. It acts as a gatekeeper between newcomers and the current corporate sector, strengthening professional relationships. People in poor countries are more likely to focus on education because it will allow them to earn more money and live more comfortably. In that scenario, business education provides additional options for people, particularly youth. Higher education can enable people to create their own businesses. It can accelerate the development of professionals, which can contribute to the country's economic progress. Higher education schools have a closer engagement with communities in society, which can be beneficial during the country's recession and recovery. In today's environment, businesses are increasingly looking for new employees having a background in business education. Business education teaches you how to do organisational tasks in an organised manner. Organised duties save the company time and money and are regarded as efficient working. It prepares people to confront with complex business difficulties and make sound judgements in critical situations. As a result, it benefits the company by protecting it from potential hazards (Kolachi, 2008). In the course of his address to students at Mauritius

University (2006), former President of the Republic of India Abdual Kalam A.P.J. stated that universities should provide an environment for students to present and implement their ideas. We should educate them how to calculate risks in order to achieve great success within the framework of moral business. Students should be competent to make decisions and take chances while dealing with hard problems in the corporate world. Business education teaches people how to create their own businesses and how to make them innovative and forward-thinking. (Wani, 2013). Young and Hood's (1993) research suggests that content, skills, conduct, attitude, and personality are the key and primary ways that need be developed in someone to become a successful entrepreneur.

A sense of creativity distinguishes entrepreneurs and positions them as prominent market share holders. Creativity and subsequent business success create knowledge known as inventive knowledge (Young and Hood, 1993). Educational bodies serve as nurseries for young entrepreneurs. A high-quality educational institution can help to bridge the gap between entrepreneurs and the corporate sector. In India, 117 business schools offer courses on starting and running a firm. According to the study, Indian business schools do not meet the needs of students or the country's corporate sector. Current international education rankings show significant evidence of a decrease in education standards in India.

The Higher Education Commission has issues such as quality education, limited student access, and course material that meets worldwide standards (Anonymous, 2007). India is ranked 129th out of 144 in the global competitive index (see Table.1 and Fig.1). India is undergoing an education catastrophe due to the poor quality of education provided by educational entities (Anonymous, 2014). Business schools provide information to young people about beginning a business, but many perceive they lack the required expertise, abilities, and skills needed to oversee a business.

**Table 1**

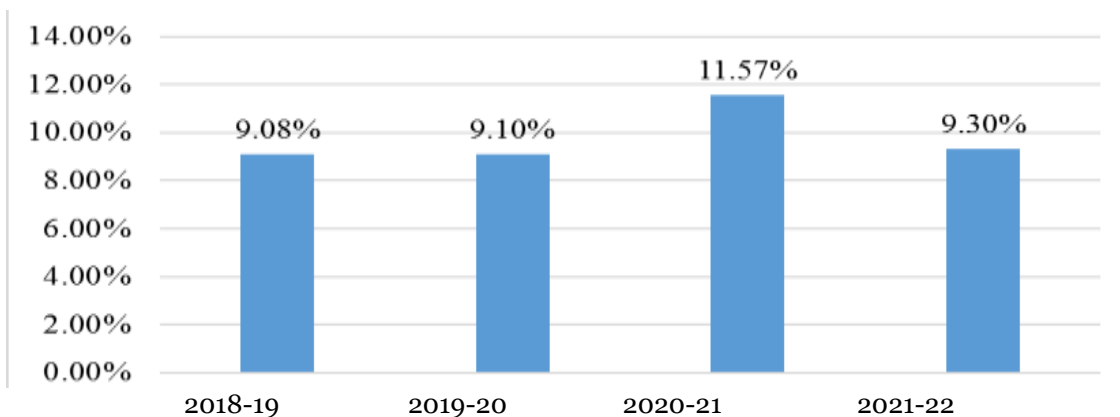
Year	India's GCI Ranking	International GCI Ranks
2018-19	54	65
2019-20	58	71
2020-21	74	99
2021-22	54	71
2022-23	43	56

Source: GCI reports 2018-19, 2019-20, 2020-21, 2021-22, 2022-23

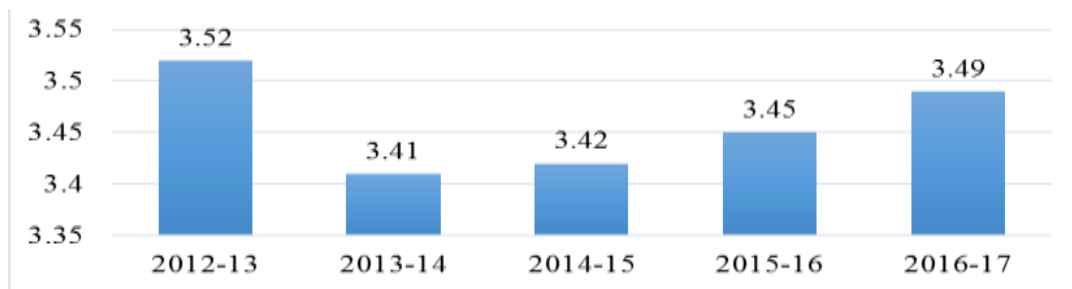
A survey of preliminary entrepreneurial activities found that 9.08% of respondents were self-employed (see 1). Those in India have a less favourable attitude towards entrepreneurship than those in other countries with comparable living conditions (Alam, 2011). Large scale. According to the project survey for 2018-19, 9.3% of people operate their own businesses. People's attitudes towards entrepreneurship are influenced by a variety of factors, including the knowledge, skills, and abilities needed to run a firm, the quality of the educational institution, and parenting approaches. Studies examined entrepreneurial teaching strategies in India.

Institutions are losing behind in promoting entrepreneurship by offering short courses and using traditional teaching approaches. According to research, India lags well behind its bordering countries with respect of global competitiveness. The annual comparison of the Global Competitive Score shows no significant increase from 2018-19 to 2022-23 (Fig.3&4). M. Awan & M. Irfan (2012) identified a positive relationship between instructor competencies and student performance.

Teachers' competencies do not match worldwide standards, resulting in a drop in student academic achievement. Students' behaviour and attitude towards studying have a substantial impact on their success.



**Fig.1: Comparison of total early stage total entrepreneurial activity in Hyderabad**



**Fig.2: Global Competitive Score India**

### Research Question

What role do educational institutions have in the development of entrepreneurs?

### Research Objective

The purpose of the research is to look into the function of colleges and universities in the development of entrepreneurs.

### Global Outlook on Entrepreneurial Development

Entrepreneur evolution is the course of developing individuals' business knowledge, skills, and talents through planned instruction and capacity-building programmes. It accelerates the establishment of new business organisations by enabling new cohorts to start businesses. This procedure creates new jobs and accelerates the country's economic progress. Linkage of small enterprises established by newcomers can aid in the formation of larger corporate units, which can provide a significant boost to the economy. It is a major economic driver for the country (Wani, 2013). Entrepreneurship education teaches people how to start a firm and grow it into a profitable enterprise (Brown, 2000).

It is a capacity-building programme that focuses on establishing and operating businesses in accordance with state norms and regulations (Gorman, Hanlon, and King, 1997). Izdonim (2010) discovered that entrepreneur learning provided learners to the information and abilities necessary to establish a new business entity. It should be utilised alongside the approaches for starting new firms. This study took place on students who were enrolled in entrepreneur education as a major course at a high school of business. It also demonstrates that young people have a variety of entrepreneurial tendencies, and that entrepreneur education can pique their interest in becoming business owners over time. Attending entrepreneur education in business schools is not required, however it may lead to a goal to become an entrepreneur.

Education about entrepreneurship encourages individuals to start their own firms. It enhances people's confidence. Prepare their minds to take risks. It also educates immigrants to help their future employers make corporate decisions that affect the growth of businesses (Izedonmi, 2010). According to the report, entrepreneur skills required to start a new business organisation should be emphasised at all phases of youth education. (Arogundade, 2011). According to research conducted in Romania, students who believe they may achieve more and have the ability to generate new ideas are more likely to have entrepreneurial goals. Entrepreneurial curiosity correlates with student self-confidence (Shook, 2008). Entrepreneurial self-efficacy refers to an individual's capacity to successfully accomplish the numerous tasks and duties required of an entrepreneur.

Five elements influence entrepreneurial self-efficacy: a person's marketing capabilities, innovative skills, management, risk-taking capacity, and financial control expertise. It is positively connected with an individual's desire to start new businesses. According to experiments, the capacity and enthusiasm to start a new business varies among individuals. Students who study business management, advertising, and financial control courses are more confident in their entrepreneurial abilities than psychologists. Multiple student groups showed varying levels of business motivation (Chen, 1998). The Intention Model offers an empirical basis for investigating the rationality of behavior. It explained that forecasting behavior outperforms personal or circumstance features. Predictive power facilitates post-hoc interpretations of entrepreneurial activities (Krueger, 2000).

### Case Study of Hyderabad

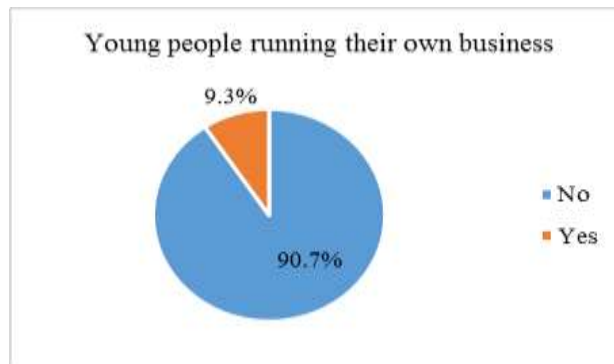
Hyderabad is one of India's largest cities, with an estimated population of 1.28 crore citizens (Demographia, 2011). It is the core of economic activity, accounting for 15% of the total income (Janjua 2015). Hyderabad is a prominent educational hub in India. Approximately 80% of Hyderabad's population attended school. Immigrants from all around India migrate to Hyderabad in search of a better education (Amer, 2013). The youth in Hyderabad tend to be less inclined to engage in entrepreneurial activities than young people in other nations with similar living conditions (Alam, 2011). Nawaz and Mehmood addressed a three-dimensional vision of Hyderabad, including perspectives from students, institutional management, and the corporate sector.

The studies featured were based on a poll done at few top business schools and engineering colleges: ISB, HBS, NALSAR, OU, and IFLU. Each Institute conducted interviews with fifty students. During the interview, 250 students provided responses. Studies show that students are unsatisfied with educational techniques and management systems. Institutions are emphasising on grading, which is causing a deterioration in educational quality. Institutions are disappointed with the Higher Education Commission's standards. The corporate sector is also displeased with the quality of education supplied by various universities in Hyderabad, rating them at 60% efficiency in relation to their requirements (Nawaz & Mehmood, 2011). Educational institutions are relying on traditional ways for teaching entrepreneurship. Low-quality educational institutions are driving a fall in entrepreneurial intentions. Bivariate study revealed that just 9.3% of young individuals own their own businesses. 17.2% of young people have the necessary knowledge, skills, and ability to run a business, whereas 5.6% lack these. A comparison of analysis indicates that young people with knowledge, abilities, and competencies are more likely to establish their own firms.

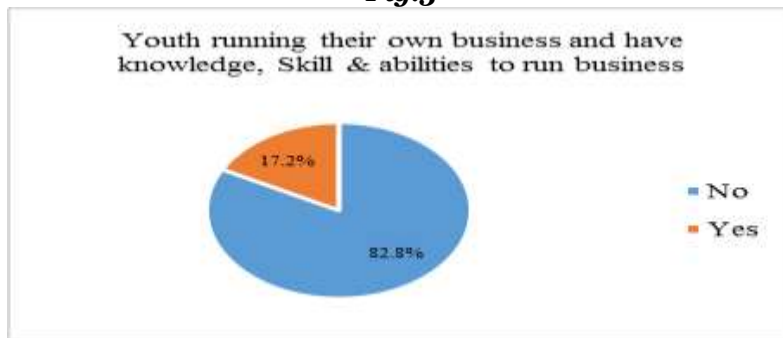
**Table 2**

Have had their own business.	Knowledge, skills, and competencies to manage a business		Total
	No	Yes	
No	94.40%	82.80%	90.70%
Yes	5.60%	17.20%	9.30%
Total	100.00%	100.00%	100.00%

**Source: Large scale Project Survey 2022-23**



**Fig.3**



**Fig.4**



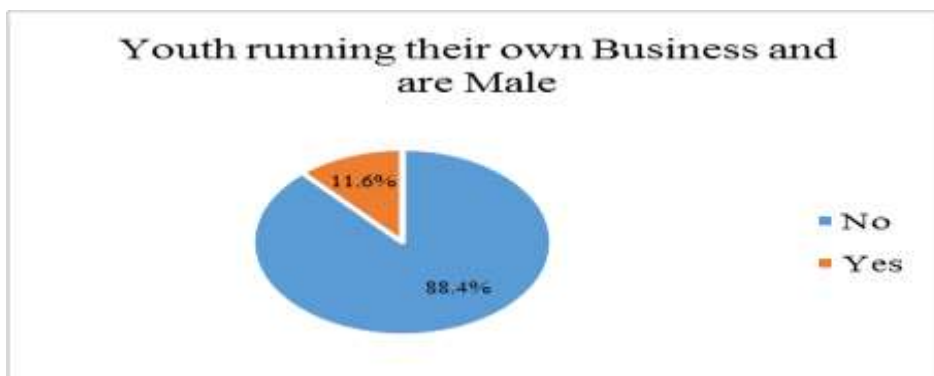
**Fig. 5**

Bivariate analysis reveals that men are more likely than females to be involved in establishing their own business; 11.6% of males take part in business activities, compared to 6.5% of females (refer to Table.3 and Fig.6& Fig.7).

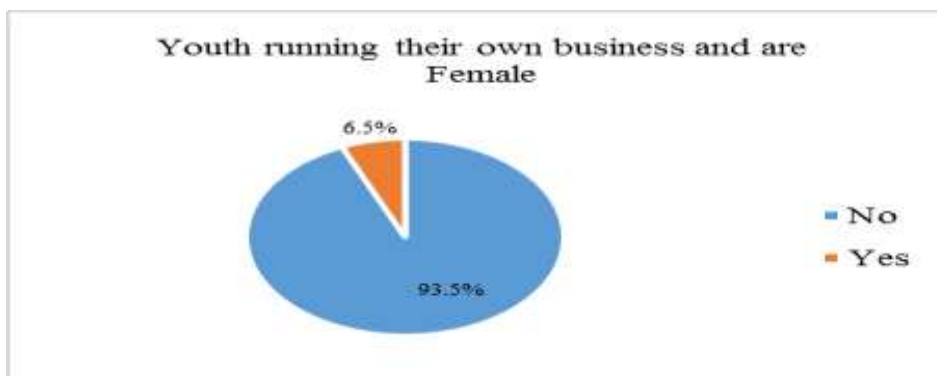
**Table 3**

Have run their own business	Male	Female
No	88.40%	93.50%
Yes	11.60%	6.50%
Total	100.00%	100.00%

Source: Large scale Project Survey 2022-23



**Fig.6**



**Fig.7**

Bivariate analysis of the dependent and independent variables shows that just 46.50% of youngsters believe they possess the expertise, abilities, and skills needed to run a business. 30.90% of young individuals who did not attend an educational institution but possess the expertise, abilities, and willingness to establish and run an independent business.

**Table 4**

Having Knowledge, Skills and Abilities to runbusiness	Receive business education		Total
	No	Yes	
No	69.1%	53.5%	68.1%
Yes	30.9%	46.5%	31.9%
Total	100.0%	100.0%	100.0%

Source: Large scale Project Survey 2022-23

Young individuals who attended a business school for learning about entrepreneurship are more inclined to believe they can start their own business. The analysis also highlighted the standard of education offered by the city's top business institutions. 53.5% of young people who went to business school for entrepreneur development do not own their own enterprises and are unable to establish new ones.

### Research Hypotheses

This study hinges on data from the Major Project Survey. The survey was conducted in Hyderabad in 2022–23. The poll sought to identify issues facing individuals in Hyderabad. The five subsequent hypotheses are put forward to test the research.

H<sub>1</sub>: Running your own business necessitates knowledge, skills, and competences.

H<sub>2</sub>: Having a personal business is related to gender.

H<sub>3</sub>: Obtaining information, skills, and competencies to run a business requires an education in a business school.

H<sub>4</sub>: As the younger generation's knowledge, competence, and capacity to run enterprises expands, so does the proportion of them who start independently owned businesses.

H<sub>5</sub>: As the proportion of women increases, the proportion of young people beginning their own firms decreases.

### Research Methodology

The analysis relies on data from the Major Project Survey 2022-23. The sample was obtained through two steps of stratified sampling. In the first step, 1% of the blocks within each town/cantonment were selected using systematic random sampling from an arbitrary starting point. The second stage involved randomly selecting 15 households from each block. During the study, 1,991 households were visited, and 11,127 respondents were interviewed. Data show that 30.00% (3,354) of responders are young persons aged 15 to 29. During the study, 2,689 young individuals were available for interviews at their homes, with an 80.20% response rate.

### Chi-square Analysis

Nonparametric tests include chi square statistics. It investigates the relationships between categorical variables. The null hypothesis shows that there is no link, whereas the research's hypothesis depicts an association between components.

The chi square analysis reveals a high correlation between owning a business and having the necessary information, skills, and talents. The p-value for H<sub>01</sub> is below 0.05. Gender is also linked to running one's own business. Nonparametric tests include chi squares. It investigates the relationship between categorical variables. The null hypothesis states that there is no link, however the research premise suggests that there is an association between components.

**Table 5**

Pearson Chi-Square	df	Level of Sig.α =0.05	Status
H <sub>01</sub> : Running an own business does not require knowledge, skills, or aptitude in business.	1	.000	Rejected
H <sub>02</sub> : Women and men can both own their own businesses.	1	.000	Rejected
H <sub>03</sub> : Having the expertise, abilities, and knowledge required to run a firm does not require a business school degree.	1	.000	Rejected

### Multivariate Analysis

For example, all variables in the study have been recoded as binary digits (1,0). 0= Does not have the necessary knowledge, skills, or ability to run a business; 1= Does. Logistic regression is an effective statistical tool for analyzing dichotomous data. The model presupposes discrete outcomes, no data outliers, and no substantial multi-collinearity among variables.

Multivariate study demonstrates that those who believe they have the knowledge, skills, and capacities to run a firm are more likely to become entrepreneurs. It has a 3.23 times larger impact than its one-time rise. Aside from that, gender has a considerable impact on corporate operations (see Table 6).

**Table 6**

Step 1a Variables in the Equation	df	Level of Sig.α =0.05	Exp(B)
Knowledge, Skill & Abilities to run business (1)	1	0.0000	3.230
Female (1)	1	0.0050	0.670
Constant	1	0.000	0.070



## Conclusion

Educational institutions have a critical role in the growth of new entrepreneurs. Many factors influence entrepreneurial intention, including educational institution, parental style, living environment, and entrepreneurial attitude, among others. The study indicated that those who got business education through entrepreneurial educational institutions have the necessary knowledge, skills, and capacities to run their own businesses. In Hyderabad, only 46.5% of young people believe they have an appropriate educational background for starting a firm, despite having acquired proper business education. Business schools do not provide quality education that meets the needs of businesses and academics.

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