

Basic Entrepreneurship for Engineers Term Paper

Role of Education in Entrepreneurship Development

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Abstract

Entrepreneurs are the individuals who are innovative, creative, dynamic, flexible, and brave and risk – taking. They are opportunity recognizers, network builders, independent and self – dependent with leadership skills. Entrepreneurship is considered as a vital element in economic growth and development of a country, reducing unemployment, increasing production and productive abilities, promoting innovation and creativity and creating wealth. In the process of entrepreneurship, all the innovative and creative ideas are converted into products and services to increase profitability of an organization. This innovative nature is in built and also can be acquired through training. Hence, the process through which the innovative skills can be obtained is education which is known as entrepreneurship education which should begin from early stages of childhood. This study is mainly based on the role that education plays in the development of entrepreneurship. This research is descriptive in nature in which strategies developed by many authors regarding entrepreneurship education are discussed.

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Introduction

In the present scenario, entrepreneurship is termed as a force of growth and development for both organizations and societies. So, great universities and colleges in the world included education and entrepreneurship in their curriculum through which entrepreneurial skills can be developed. There are many benefits derived from entrepreneurship to individuals or to an organization. Hence, the concept of entrepreneurship has significantly great importance. Aggarwal and Eposito (2001) stated that the advantages of entrepreneurship include growth and development of the economy, productivity and creation of new technological methods. Hence, the promotion of entrepreneurship is very important in order to line up several activities in the society with the changing world.

Education, in this process is recognized as one of the important components in entrepreneurial development. As the competition in the present world is becoming complex, education is very essential to meet that competition. The education system in the society should be made accurate and effective to develop the skills and abilities which are required for every situation. Among several aspects in this educational system, entrepreneurship education is one of the most fundamental area as it is the way to improve the human capital which is the most important factor in development of the society.

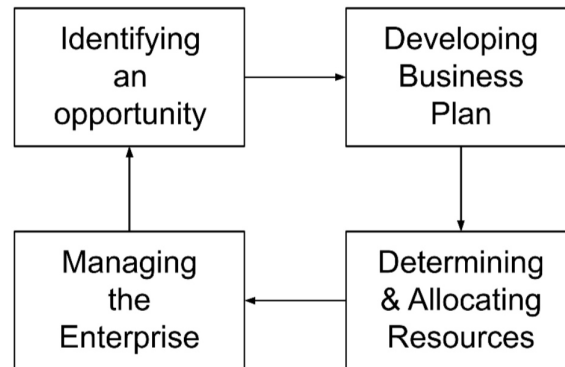
Significance of Entrepreneurship

Entrepreneurship is originated from the French word “enterprendre” and the German word “unterchmen” which means undertaking. Ahmad Poordariani (2002) defined an entrepreneur as an individual who makes a promise to establish, handle and bear risks occurred in an economic activity. Aggarmall and Esposito (2001) said that entrepreneurship can be a skill that provides solutions for several issues and acts as a tool for obtaining high productivity in various fields of an organization. In the case of management science, entrepreneurship concentrates on four factors. They are decision making, strategy and performance, organizational design and risk – taking (Shane and Ulrich, 2001). In the same way, Aisrich and Peters (2005) referred entrepreneurship as future which occurs through the change of old and present principles and some aspects of management. They also defined entrepreneurship as a process from which some new things are raised which involves spending of sufficient time and effort and also bearing financial and social risks and finally getting rewards for risk and job satisfaction. Timmons (1999) defined entrepreneurship as a capacity to generate knowledge from nothing, ability to know how to recognize, establish and control the available resources which are present with others.

Entrepreneurship Process

The process of entrepreneurship is a systematic way of establishing a new business venture. Dhenak (2010) stated that an entrepreneur recognizes and utilizes an opportunity by overcoming the obstacles of resistance. Barringer and Ireland (2010) defined the four stages in entrepreneurship process as recognizing and assessing an opportunity, preparing a business plan, utilizing available resources and also arranging required and finally achieving the goals.

Stage 1: The first stage in the process of entrepreneurship is identification of a business opportunity. An opportunity is said to be a



favorable situation through which a need for new product, business or service is created. In this stage, an entrepreneur introduces a new idea for establishing new business venture. Identification of opportunity includes examination and assessment of present needs, demands and trends of consumers. Then the gap between consumers and products can be known. The strategy or a plan that is developed to fill this gap is the opportunity. Attractiveness, durability, timeliness, and fixation of the product are four essential qualities of an opportunity.

Stage 2: After an opportunity is recognized, then a plan to fill the identified gap is designed. This plan is known as business plan. Harjai (2012) defined a business plan as an explanation of business' future direction. A business plan which shows a different opportunity is said to be a good business plan. This stage is associated with lot of time for any entrepreneur or organization. This involves the process of thinking and planning in a strategic way.

Stage 3: The third stage in entrepreneurship process is determining and allocating resources. In order to implement a business plan, the resources that are required are to be identified. Harjai (2012) also said that determining the risks that occurs due to insufficient resources should be kept aside from sufficient ones. Here one question is to be answered, i.e. is the individual or an organization capable of obtaining required resources to start this business venture? The financial and

non-financial resources that are utilized in the business venture are secured by the organization. Startup costs, and other costs comes under financial resources and skills of people are considered as non-financial resources.

Stage 4: The final stage in entrepreneurial process is managing a business firm. Whenever the resources required for running a business are gathered, then the plan that is developed in the last stage is implemented. Managing a business firm involves activities which are related to several operational issues that occur during implementation and running of the business plan throughout the business cycle. Setting up of a control system which monitors business activities and solve the problems occurred is essential for a smooth run of business cycle. The existing ideas are to be modified for achieving better results.