



### Mini Review

## A Study of Business Education and Entrepreneurial Capabilities in Central India

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### Abstract

*This study explores the relationships between business education in central Indian universities and the development of the entrepreneurial capabilities in students. It also focuses upon the potential differentials on entrepreneurial making among public and private universities. This is a cross-sectional casual study using questionnaire for a sample of 320 students of 15 different universities in Central India Madhya Pradesh India. Discriminate and regression analyses have been used to analyze the data. Results show relationship, though not very strong, between business education and entrepreneurial capabilities. Moreover, results also reveal that both private and public business schools are responsible for almost equal level of entrepreneurial capabilities.*

**Key words:** Entrepreneurship, business education, curriculum development, entrepreneurial capabilities, private and public business schools.

### Introduction

Governments being unable to employ every person try to resolve the unemployment problem by motivating people to start their own businesses. There is a type of business that may start from small level, even by single owner or more than one owner, but grow with a larger pace by working on a creative idea with significant risk known as entrepreneurship. Entrepreneurship is responsible for accommodating larger number of employees as the business grows day by day. Studies show that the earning a small business owner makes in his complete life time is equal to the earning an entrepreneur makes in a five years. Entrepreneur is different in attitude towards the management process and business in general. An entrepreneur is an initiator, high risk taker, leader, jack of all trades, visionary etc. There are a number of factors that influence the individual's personality, behavior and thinking and help one to become entrepreneur. These factors are family background, education, social networks, peer groups, situational factors, etc. An "entrepreneurial perspective" is not born but developed in individuals. Entrepreneurship is a set up that runs one's business with creativity. An entrepreneur without having the skills and abilities necessary to plan and run business activities successfully may lose everything. So business education is vital for a person to get success. There may be a number of inspirational elements for the decision to become entrepreneur including business education. Number of foreign universities now offers a complete MBA in Entrepreneurship. In central India the education in entrepreneurship is an upcoming field. Profational education Commission of Madhya Pradesh

suggested/advised all the universities to include courses on entrepreneurship and creativity at, postgraduate, undergraduate and graduate level in their business schools.

**Problem statement:** This study intended to explore the influence of business education of Madhya Pradesh on the development of entrepreneurial capabilities and whether there is any difference between public and private business schooling in entrepreneurial making.

**Originality of the study:** According to Geert Hofstede, central Indian culture is different as compared to the areas where entrepreneurial studies were conducted. In Madhya Pradesh studies on entrepreneurship are very scarce. None of the researcher conducted the study to explore the effect of the business education of central Indian on the making of entrepreneurial capabilities, so there is clear gap in the body of knowledge. This study intends to fill this gap and definitely proves a significant contribution to the body of knowledge.

**Applied aspects:** The study intends to identify either the current business programs helping people to polish their entrepreneurial capabilities or just producing managers. Moreover, study develops suggestions/recommendations to educationists for the curricula development to strengthen, polish and enrich the courses on entrepreneurship.

**Objectives of the study:** i. To study the development of entrepreneurial capabilities, ii. To study the curricula of the business education, iii. To explore if there is any relation

between business education and entrepreneurial capabilities and strength of that relation, iv. To study if there is any difference in the education of public and private business schools with respect to the development of the entrepreneurial capabilities

**Review of Literature:** Entrepreneurship is a process of starting a creative venture by spending time, effort, and accepting and facing the risks like financial, psychic and social that result in the monetary as well as personal rewards. It is an entity of vision, dynamism, and newness/creativity which requires energy for the development and launching of creative ideas and solutions. According to life cycle approach, entrepreneurial career has nine phases and business education is one of them. If the individual is getting education, encouraging decision making and skills building, then more entrepreneurial capabilities will be produced in individuals, provided such individuals enter family business in childhood.

**Types of skills required by entrepreneurs:** According to Hisrich et al<sup>2</sup>. The skills required by the entrepreneur can be divided into three areas: i. Technical skills: Writing, oral communication, monitoring environment, technical business management, technology, interpersonal relationship, listening, ability to organize, network building, management style, coaching and being a team player. ii. Business management skills: Planning and goal settings, decision making, human relations, marketing, finance, accounting, management, control, negotiation, venture launch and managing growth and. iii. Personal entrepreneurial skills: Control over oneself, risk taking, innovativeness, change oriented, persistency, visionary leadership and ability to manage change.

**Theoretical Framework and Hypotheses Generation:** The hypothesized relationship/interaction of the variables is depicted in figure 1.

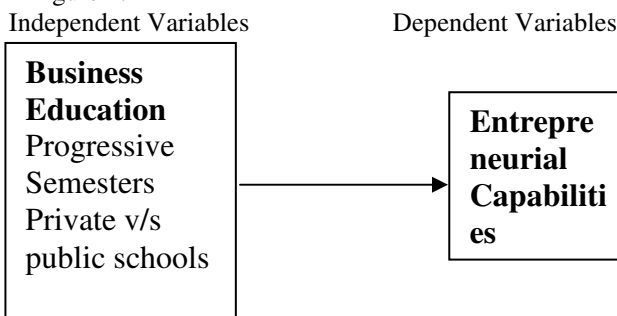


Figure-1

The hypothesized relationship/interaction of the variables

Table-1  
 Sampling details

Name of the university	Sample Size
Devi Ahilya University Indore	80
Vikram University Ujjain	80
Jivaji University Gwalior	80
Barkatt Ulklaha University Bhopal	80

**Development of hypotheses:** Gorman et al and Vesper et al concluded that entrepreneurship or its facets can be taught, or at least encouraged by education. It means that with every new semester entrepreneurial capabilities should also be increased, hence the inference is that:

H1. Progressive semesters in business education enhance the entrepreneurial capabilities. Conflict theorists believed that educational system reproduces the social class structure and due to the unequal funding the public schools have more funding and resources, so they can polish students in a better way as compared to government schools with less funding and Family background (as college attendance is closely linked with social class, race and ethnicity)<sup>6</sup>. So we may conclude that:

H2. Private schooling develops more entrepreneurial capabilities.

The followings are the null hypotheses of this empirical study: H1. Progressive semesters in business education have no effect on the development of entrepreneurial capabilities, H2. Private V/S public business education does not have different impact on the making of entrepreneurial capabilities.

### Methodology

This casual cross sectional study was conducted on business students of different semesters who were taken as the universe enrolled in BBA and MBA program in different 15 universities in Central India.

**Sampling procedure:** A quota sample of 320 students was taken from 4 universities namely Devi Ahilya University Indore, Vikram University Ujjain, Jivaji University Gwalior, and Barkatt Ulklaha University, Bhopal (Table 1).

**Tool for data collection:** The EQ being the most efficient discriminator originally proposed by James<sup>6</sup> among Entrepreneurial Attitude Orientation (EAO), Myers-Briggs Type Indicator (MBTI), and Herrmann Brain Dominance Instrument (HBDI) was adopted to measure the intensity of entrepreneurial capabilities. However, this scale was modified to match the Pakistani cultural needs. Progressive semester's and public and private schooling are the demographic part of the tool.

**Reliability for the Instrument:** SPSS version 12 was used to analyze the data. The Alpha Reliability value for the EQ instrument during Pilot study with 50 questionnaires was measured as 0.830 with 89 items showing the strong internal consistency for the tool.

**Presentation and Analyses of Data Student survey:** Demographics characteristics of students of the 4 universities were taken. Almost 75% of the respondents were male and 25% were females; that shows the trend in Pakistan where male are more involved.

**Table-2**  
**Business education on entrepreneurial capabilities**

	Sum of squares	df	Mean square	F	Sig.
Between Groups	161.626	6	26.938	4.681	0.000
Within Groups	1801.296	313	5.755		
Total	1962.922	319			

**Table-3**  
**Business education on entrepreneurial capabilities**

Model	R	R2	Adj.R2	Std. error of the estimate
1	.219(a)	.048	.045	2.424

Testing of hypothesis was done through discriminate, co relational and regression of coefficient analysis. The following hypotheses were formulated for testing: H1. Progressive semesters in business education enhance the entrepreneurial capabilities, H0-1. Progressive semesters in business education have no effect on the development of entrepreneurial capabilities. The discriminate analysis showed that there is significant difference among the progressive level of the semesters of business program with respect to entrepreneurial

Capabilities (t-test sig. 0.00 that is significant difference- (table 2). Correlation (table 3), and regression analysis (table 4) showed a positive relationship of entrepreneurial capabilities towards the progressive level of the semesters of the business program, though it was a weaker one. Entrepreneurship is not born and can be taught or Encouraged<sup>4</sup>. The current study confirms the conclusion of previous studies. The weaker relation could be due to the fact that Indian universities are not teaching necessary subject for entrepreneurship as stated by Solomon et al. Duffy et al<sup>7</sup>. stated that entrepreneurship education is different as compared to normal/conventional business education.

These subjects are entrepreneurial entry and managing a business, risk taking and managing and accepting the challenges, leadership, negotiations skill, creative thinking, new product development, knowledge of new technology, and knowledge of sources to finance a venture, Knowledge of idea protection through legal activity and awareness of entrepreneur career options.

### Conclusion

The following conclusions have been drawn from this study:i. Business education is contributing to the development of entrepreneurial capabilities, though in a weak manner, ii. There is a general lack of entrepreneurial Skills Building Courses in all the public and private universities, iii. No difference is found with respect to entrepreneurial capabilities being produced by public and private schools.

**Recommendations:** For future researchers that a comprehensive content analysis of courses be taught in universities is recommended to get the empirical evidence of the contribution of different courses in the development of entrepreneurial capabilities. Moreover, it is also recommended that a longitudinal study of the business program will definitely generate a better insight on the issue.

**Limitations:** i. A cross sectional study was conducted. Perhaps a longitudinal view of the business program influencing on entrepreneurial capabilities will generate better understanding, ii. A limited sample of 4 universities definitely remains the limitation of the study.

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**Table-4**  
**Business education on entrepreneurial capabilities: Regression analysis coefficients**

Model		Unstandardized coefficient		Standardized coefficient	T	Sig.
		B	Std. error	Beta		
1	(Constant) Semester of respondent	7.965	0.289		27.564	0.000
		0.263	0.066	0.219	3.993	0.000