



Entrepreneurship through Apprenticeship – A Case Study

K.G.Chandrika¹

Abstract

Many young professionals out of college without a business family background are considering entrepreneurship as a career option.

The Globalised networked world is offering great opportunities for young, creative, talented and motivated professionals who are in large numbers in our professional colleges to generate /use business ideas from any where across the globe to set up their enterprise.

These would be professionals who are in large numbers in our professional colleges across the country can be motivated to become successful entrepreneurs through various programmes, initiated by different organizations associated with development of entrepreneurship. The present study is an attempt to study the idea of having apprenticeship in entrepreneurship courses in our professional colleges.

Keywords: Apprenticeship, Entrepreneurship, Entrepreneurs, Global, Business Ideas, Professionals, Professional courses.

Introduction

Entrepreneurs in today's society can be called as Innovators in the path of creation of wealth. The term Innovators is coined because the type of business and path they choose in exploring the business ideas for setting up the business is truly novel. The most important is the concept of sharing the wealth created, by all involved in making the business a success. The economic development of any country is linked to the growing number of its successful entrepreneurs.

¹ Associate Professor, Dept. of Business of Management, Osmania University, Hyderabad.

Engineering education has an indomitable role in entrepreneurship development. Since entrepreneurship is a dynamic process of vision, change and creation – education provides energy and passion towards creation and implementation of new ideas on a continual basis. In India, engineering institutions have mostly played a passive role, resulting in many myths and fears among students on entrepreneurship. Survey reports amply indicate the abundant existence of entrepreneurial aptitude among students, but ironically entrepreneurial capability is lacking among them on account of poor inputs on entrepreneurship [see, Mitra, 2006]

A globalized world of today offers tremendous opportunities and avenues for young qualified professionals to become part of wealth creation for their own and for the country of their domicile. The highly skillful, talented and motivated professional youth can avail these opportunities the connected world offers them with requisite skills and programmes that any institute can offer.

Despite a combination of social structures and cultural values within India that historically constrained entrepreneurship, a number of efforts in recent years seem to have significantly shifted the national mindset regarding entrepreneurship, particularly among India's youth who were found to demonstrate a significantly higher level of interest in starting new ventures than their US counterparts. (see, Lavenburg & Schwarz ,2008)

In a developing country like ours nurturing of entrepreneurial qualities among the youth, specially those in our professional colleges like management or engineering graduates is of great importance to accelerate the growth of entrepreneurship in the country. Students in professional colleges with technical/ management background can be trained in various aspects of business. The opportunities thrown open by different technologies for entrepreneurial growth is like never before. Students with technical background are best suited to techno-entrepreneurship.

Today, globalization forces are stronger than ever. The world is witnessing global competition for markets and jobs from countries like India and China. If anything, the level of ambiguity, uncertainty and risk has increased over the last decade. It has been suggested that

countries need to innovate to stay ahead of competition (. Since entrepreneurs create most of the new jobs, there is an urgent need on the part of universities to offer courses that teach these skills, bearing in mind the global nature of competition. (Envick, and Prasad., 2006) Many Universities and Institutes of repute have included entrepreneurship as a course in their professional college curriculum. The emphasis of these courses is however theoretical in nature and sometimes abstract for a student who is admitted to professional course like engineering/management. Therefore there is a need for a re look into the curricula by academia. The option of apprenticeship must be viewed from the need to provide practical platform for enterprising and aspiring future entrepreneurs who are studying in our professional colleges. The present paper is an attempt to explore the option of apprenticeship for students who are motivated and interested to become future entrepreneurs, in the final semester of their course in our engineering & management institutes.

Objectives of the Study

Primary Objective

Explore the option of Apprenticeship under a successful entrepreneur(s) for a minimum of six months to get the ground realities of running a business.

Secondary Objective

- i. Entrepreneurial environment in Indian professional colleges.
- ii. A study of training needs for prospective entrepreneurs.
- iii. Identify reasons if any for not willing to become entrepreneurs.

Methodology

The Methodology adopted for the study is a Case study approach –The Case of MBA students of the Department of Business Management, Osmania University, Hyderabad.

Review of Literature

Entrepreneurship is a phenomenon if successful in a particular environment & region can change the economic scenario of that region, bringing along with it not only economic prosperity but also a change in lifestyle of the people.

Academic importance of entrepreneurship has gained significantly. Importance of formal training for budding entrepreneurs has increased. A brief review of the literature on entrepreneurship & immense scope it has for our students in professional colleges has been given below.

Aiyer (2006) writes, “The Chinese city of Wenzhou owes its success to the development of cluster model whereby hundreds of small enterprises work together producing complimentary goods based efficient division of labour. Over the last 25 years Wenzhou’s farmers have turned tycoons, rags have transformed to riches with almost monotonous regularity.”

Bhagat (2006) highlights the valuable tips the book offers to anyone involved in starting a new enterprise and taking it to great heights. She quotes several instances of points of interest the author has illustrated from his personal experience. According to him entrepreneurs, have to be extremely disciplined hard working and goal oriented. Another useful tip quoted from the book is those who dream of starting a great company should develop ability to cope with rudeness and rejection from people. “Remember, the actual experience is in the enactment, so go on and do it.”

According to Peters (1998), “Entrepreneurial education has never been so important in terms of courses and academic research.” According to him a total of 369 universities in the United States have at least one course in entrepreneurship, although most of these courses are in business schools.

Major articles in prestigious newspapers as the New York Times, Wall Street Journal and the Washington Post have focused on the pioneer spirit of today’s entrepreneurs describe how this spirit benefits society by keeping US in lead in technology.

While Entrepreneurship offers promise of opportunities for many, it is by no means an easy path to traverse to success it involves a lot of hard work and patience. However Ram(2006) says, “A key ingredient for

India's success will be the level of entrepreneurship activity that we can stimulate. Fortunately, the climate and support for entrepreneurs are much better today than at any time in the past. The opportunities for creating new businesses are also plentiful and diverse."

Thus there is wide spread acceptance in India that there is a great potential for growth of enterprises specially of micro, small scale, medium level enterprises provided our people, in particular the youth should be ready to take up such challenges.

Evolution of Entrepreneurship in India

Conceptually Entrepreneurship is not a new phenomenon in India, though the modern definition associated with entrepreneurship may be new. Traditionally entrepreneurship was associated with a caste or a community. Very few people outside these castes or communities would venture in starting their own business.

Before the coming of the British to India, The village as an entity provided a platform for the people in the village to showcase their entrepreneurial skills, be they craftsmen, artisans, weavers etc. whole Family (young & old) was involved in developing these artifacts that would eventually be sold. Also the maharajas, rajas or feudal landlords patronized arts, crafts, etc in a big way by giving opportunity to these people to prove their talents, skills and combine it with entrepreneurial abilities.

Another important and interesting observation is entrepreneurship in India is generally confined to some regions often referred to as entrepreneur belts such as western region of India like Marwaris from Marwar (Rajasthan), Sindhis, Punjabis, and Gujaratis. We generally have more entrepreneurs from western belt than from other parts of India. Similarly in South India especially in Andhra Pradesh people from coastal districts exhibit entrepreneurial qualities.

After Independence there is considerable growth in entrepreneurship and entrepreneurs, especially after the liberalization of economy and licensing procedures. There is a gradual increase in entrepreneurs cutting across caste and communities. The financial institutions in the country are adopting a more progressive and people friendly policies in

providing financial assistance to budding entrepreneurs. The central and state governments are adopting various policies & measures to attract young, talented and motivated professionals towards entrepreneurship.

Entrepreneurship Programmes and Academics

There are many ways to experience entrepreneurship before you start off on your own

Philips Anderson, INSEAD Alumni Fund Professor of Entrepreneurship, Director, Rudolf and Valeria Maag International Center for Entrepreneurship and Director, 3i Venture lab

The best way to learn how to be a successful entrepreneur is to work at the right hand of a successful entrepreneur. Entrepreneurship is passed on through apprenticeship. When you work with an entrepreneur, you see all the problems that arise in venture settings and how they are overcome. (see, Aiyer, 2006)

Premier academic bodies promoting and controlling higher education in India such as HRD ministry, Ministry of Science & Technology, DSIR, UGC, AICTE etc are promoting entrepreneurship education in a big way. They are encouraging colleges especially professional ones offering engineering and management programmes to set up entrepreneur development cells or EDC to promote entrepreneurship culture through entrepreneurship development programs. EDCs are funded by these premier agencies. Similarly Government of India is also conducting a number entrepreneur development programs through government-funded institutions such as NISIET² etc. Government of India also set up centers of excellence to promote & cultivate entrepreneurship among various sections of our society in particular educated youth. These institutes such as Entrepreneurship Institute of India (EDI) Ahmedabad, Indian Institute of Entrepreneurship (IIE), Guahati, National Institute of Entrepreneurship and small Industries development, New Delhi are few of them conducting various

² NISIET- National Institute of Small Industries Extension & Training centre, located in Hyderabad.

programmes & research in entrepreneurial development programmes to foster entrepreneurial culture.

A Case Study of Management Students

A simple study conducted on the students of management, dept of business management, Osmania University, Hyderabad revealed interesting results.

Department Of Business Management

The Department of Business Management³, Osmania University has been conducting two-year programme in Business Management since 1964. It was established as an independent entity in 1971. The Dept. offers different streams of MBA programme. MBA (Regular) both Day & Part time for working executives, MBA (Technology Management) Day & Part time for working executives. MBA (Regular) is a UGC funded programme while MBA (Technology Management) is a self-financing course. MBA (Regular) has total intake of 80 students with two sections of forty each. In all there are 160 regular MBA (Day) students, MBA (TM) has intake of 40 students, so a total of 80 students are there in MBA (TM). Students to the MBA programme of the department of business management, Osmania University are selected on the basis a rank secured in the state wide common entrance test (ICET)⁴, while generally top rankers come to Osmania University Campus College.

A questionnaire was administered on MBA (Regular) & MBA (Technology Management) students primarily to get the opinion of the students about the option of apprenticeship in academic curriculum. The objective was mainly to know the opinion from prospective entrepreneurs about the need for a formal training in the form of apprenticeship for entrepreneurship as a prelude to entrepreneurship.

³ Dept of Business Management, Osmania University's website is www.ou-mba.ac.in.

⁴ ICET: Integrated Common Entrance Test For Admission into MCA & MBA programmes for the colleges in the state of Andhra Pradesh. The Test is conducted by one of the state universities in the month of May every year.

The questionnaire is divided into two parts. Part I consists of general profile of respondents and part II consists of questions related to entrepreneurship and training needs for promotion of entrepreneurial culture among students in professional colleges.

The analysis of the data gathered through the questionnaire showed following facts:

Data Analysis

The total number of Respondents: 80

1) Respondents breakup course wise (All of them day students only)
80 students responded to the questionnaire. Out which a large section of students are from MBA (Regular), nearly 81%. Only 19% are from technology management stream.

2) No of Students interested in taking up entrepreneurship as a career:

Out of 80 respondents 55 or 69% have said yes, while 31% have said no.

3) Breakup of the respondents Gender wise

66% of the respondents are male students, while 34 % are female respondents.

4) Breakup of MBA (Regular) & MBA (TM)⁵

53.8% of MBA (Regular) are keen on taking up entrepreneurship after the completion of their course, while 15% of MBA(TM) are keen on pursuing entrepreneurship.

5.) Response of Students (Gender wise) to entrepreneurship as a career

⁵ MBA (TM): MBA (Technology Management) is a programme offered by the Dept of Business Management, Osmania University, and Hyderabad. The programme is first of its kind and was started in collaboration with confederation of Indian Industry and Department of Science & Industrial Research.

53.8 % of male respondents have shown interest towards entrepreneurship. 12.5% of male are not interested in setting up their own business. Among the female respondents 15% of them are interested in setting up their own business and 18.8 % of the female respondents are not interested in setting up their own business.

6.) Reasons for taking up entrepreneurship:

Data Analysis: A list options for taking up entrepreneurship was administered to the respondents. A high percentage of respondents have given self motivation and present course they taken up for the award of degree as the reasons for entrepreneurship

7.) Reasons for not taking up entrepreneurship.

A list of 8 options was given to the students to give their opinion on reasons for not taking to entrepreneurship. 24% of the respondents have cited first reason or are not capable of handling risks involved in personal business.

8.) Scale of Business to start with:

43.6 % of the respondents prefer to setup small-scale units, 54.5% prefer medium and 1.8 % prefer large scale.

9.) Have you attended any formal training programmes? (Yes/No)

Only 18% have said they had attended some formal training programmes. A large section of the respondents nearly 82% have said they have not attended or taken any formal training programmes in entrepreneurship.

10) Need for formal training programmes? (Yes/No):

A very large section of respondents nearly 96.4% want formal training programme in entrepreneurship, only 2 respondents or 3.6 % said they do not need any.

5) Type of training programmes

A list of nine probable training programmes were included in the questionnaire like apprenticeship, skill based programmes, Interactive sessions with successful entrepreneurs, awareness on financial & non-

financial incentives programmes, leadership programmes, communication programmes, motivational programmes.

20% of them prefer all nine programmes.

6) Idea of Apprenticeship in the curriculum? (Yes/No)

A majority, nearly 91% of the respondents favour the idea of apprenticeship in the course curriculum. Only 9% do not favour the idea of apprenticeship.

10) Need a stipend (Yes/No)?

Nearly 84% of the respondents want a stipend for the apprenticeship period, while 16% do not want any stipend.

Conclusions Drawn From The Above Study

The following are the findings from the above case study

- i. Majority of the student respondents, in particular male students have shown an inclination towards entrepreneurship as a career option, while only a few female students have responded positively to entrepreneurship as a career option.
- ii. Student respondents from MBA (Regular) and MBA (TM) have shown interest in entrepreneurship.
- iii. A large section of the respondents who want to take up entrepreneurship as a career have cited self-motivation and the academic course they have taken for study in the college as the reasons for their inducement to entrepreneurship. Very few have given family business as the reason for taking up entrepreneurship
- iv. Students who are not interested in taking up entrepreneurship have given the reason of not wanting to take the risks involved in running a business.
- v. An interesting observation was - A significant majority of the respondents are breaking the stereotype of wanting to set up a small-scale industry. They prefer to venture in medium scale industry.
- vi. Very few students have attended training programmes on entrepreneurship.
- vii. All most all want to attend or undergo some training programme on entrepreneurship.
- viii. Many view the existing programmes such as awareness programmes, motivational programmes; communication programmes, skill-based

programmes, leadership programmes and interaction with financial institutions are good and want them to continue.

- ix. Many student respondents are open to and favour the idea of apprenticeship for entrepreneurship during their course of study in the college/University for the degree.
- x. Majority of the respondents want a stipend to be paid during the period of apprenticeship

Summary

The above study makes an effort to explore the option of inclusion of apprenticeship in entrepreneurship in the curricula of our professional courses like engineering and management courses offered by many Indian universities. The study was conducted taking the case of Department of Business Management, Osmania University and from student's perspective. The findings of the study shows us that students are interested in taking up entrepreneurship and are keen on having it included as course with apprenticeship in their syllabus and a stipend being paid to them during the period of apprenticeship.

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