

Measures for Motivating Students towards the field of Entrepreneurship

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Abstract:

Entrepreneurship is the backbone of any economy. The more the number of successful enterprises, the higher is the GDP of the economy. However, the number of formal enterprises in India is less than 1% of the population. Similarly, the extent of innovation is very less. Hence there is a need to improve both the number of enterprises as well as the innovation spirit among people. Start-up companies are a good solution in achieving this objective. The findings of the study will help in coming up with a set of best practices which can be followed by any institution. As through this study there is a possibility of increasing the number of start-ups in the country in turn it would help in increasing our economic progress.

Keywords: *Innovation, Business, Economic growth*

I.Introduction

The economic activity of a country can be estimated by calculating its GDP. GDP is the monetary assessment of all the goods and services produced in a year. The GDP of a country is measured in terms of its growth in three sectors namely Agriculture, Industry or Manufacturing and Services. The growth of any economy is directly proportional to the number of enterprises or number of entrepreneurs and the business environment prevailing in that area. The GDP growth rate of India was an average of 4.8 % from 1975 to 1991. While comparing the indicators of growth such as GDP, number of listed Companies, the total number of registered Companies and the unemployment rate, it can find that total number of listed Companies in India in 1983 were 1151 and the unemployment rate was 8.3%. Whereas in 2014, the number of listed Companies were 5300 and the unemployment rate was 3.4%. Apart from this the total number of registered and active companies in India is 11.89 lakhs in 2018. However unemployment rate will depend on the population of the area and while comparing the growth rate of companies and the growth rate in population than we find that between 1983 and 2014 there is an increase of 360% in terms of number of listed Companies and a surge of 73% in terms of population growth. This can be taken as a sizable increase in number of listed enterprises which can be evidently seen in the increase of job opportunities and the raise in the standard of living of people (ceicdata.com, 2019)

II. History

Systematic reviews were found about “Innovation in the sector of higher education” (Richard Li-Hua and John Wilson ,2010) They developed a framework for the increasing innovations in an organization. It deals with establishing the relationship between globalization and inventions in the higher education sector. Through the study they have focussed on the importance of cultural and organizational factors in the successful implementation of invention in higher education. (Alfred Posch,2006) and (Olga Saginova,2008) review was on “A proposal of Indicators and Policy Framework for Innovation Benchmark in Europe” (Juan Vicente and García Manjon ,2010) observes that the invention related policy in Europe was dealt in the angle of common perspective. They found that the European Council has used the coordination method towards getting acceptance across the members of the European Council on invention related policies. (Aoran Chatterji, Edward Glaeser and Willaim Kerr ,2013), the policies followed in USA towards encouraging entrepreneurship at the local level and intervening it with inventions have given good fruits in terms of increasing job opportunities in that region (M.Rongping, 2008).

III. Developments

a) Innovation

Innovation can be understood in terms of the emergence of new thoughts and process that lead to the output of new products and services. It involves a mindset which is apt for designing new things and adding some value through this process. It involves hard work, perseverance and investment of time and money in it. (Richard Li-Hua ,2010) and (Maura Borrego, 2010) and (Luis E. Vila ,2012)

Innovation leads to growth as it leads to the development of new products and these products once create value leads to the advancement of technology which results in better way of leading life or improves the standard of living, it thereby fuels economic growth. (Maryann P. Feldman, 2014) ,(Oliver Gassmann ,2010) and (Oliver Gassmann ,2006)

b) Start-ups and economic growth

Start-up is a new company that is in the initial stages of operations. It is normally funded by bootstrapping method. At present in India there are around 11,00,000 formal enterprises out of a working population of 50 crores which means that there is less than 0.5% of firms to cater to the huge requirement of jobs. Hence start-ups can act as a mechanism to reduce the gap between the huge difference between demand and supply of jobs in the country. (Silvia Massa, 2008) and (Ghulam Nabi,2010)

c) Creation of start-up eco systems in India

Earlier they were economic zones created by government giving subsidies to firms setting up in those areas. Now through Start-up India, the government involved NGO's like National Entrepreneurship Network (NEN) and Government Organization's like EDI and MSME to work with educational Institutions to promote the entrepreneurship and start-up culture right at the grass root level.

Through this initiative the Entrepreneurship Development Cell units of Colleges got energized and awareness manifolded to the youth of the country towards the importance of Start-ups and the fruits and benefits of making a Start-up (Bart Clarysse and Johan Bruneel,2007). From a stage where people used to get horrified at the fact of starting a business, today people are understanding and accepting to take risk. The other policy measures which

resulted positively were the Government working on the ease of doing business in which India stands at 100/190 in 2018 according to DIPP (Department of Industrial Policy and Promotion) countries compared to 130/190 in 2013. From a stage where we hardly heard of Start-ups today, we have around 19000 start-ups in the Country. India is ranked as the 5th most start up friendly countries in the world (CeoWorld magazine,2019)

d) Current state of Start-ups in India

Presently India has around 19000 Start-ups. On an average the age of promoters of Start-ups in the country is 29 years. The start-ups based on technologies were 5300 in the year 2016 and they are expected to rise to 11500 by 2020.

It has been observed that majority of the start-ups are from metro cities. It is a noticeably positive development that the number of venture funds have increased by 100% in a year's time. (K. Sunanda, 2017)

e) Start-ups and Innovation in India

The innovation climate in India was in a dormant stage till 2014. Even after 70 years after Independence, the country could not come up with any significant invention and can claim as our own contribution to Science, Technology and Societal development. It is to be noted that we are even now running under the umbrella of the glorious contribution of Shri C.V. Raman to science in the year 1930. Soon after independence 5 IIT's were setup and now we have 16 IIT's in India. While collating our expenditure on research and development in relation to the total amount of money spent by all countries in Asia, it can find that we are spending 10% of the overall budget on research and development in comparison with the total amount of money spent by all countries in Asia. There has been enormous growth of about 85% of Indian Science and Technology publications during the last three decades ranging between 1997 and 2007, however only 0.32% of our publications have been made in high impact journals.

In a study conducted by National Institute of Science each individual was asked to identify notable research achievements since Independence which were of International standards, only five works were identified. The world bank states that India occupied 120th position among the world countries in terms of Knowledge Index. An analysis of the award-winning innovations and technology developed reveals that these innovations have been originated in the foreign countries predominantly belonging to the west. So, it can be understood that innovation in India is in its nascent stage. (Donald S Siegel,2015).

Table 3: Ranking of countries based on Innovations

2019 Rank	2018 Rank	YoY Change	Economy	Total Score	R&D Intensity	Manufacturing Value-added	Productivity	High-tech Density	Tertiary Efficiency	Researcher Concentration
1	1	0	S. Korea	87.38	2	2	18	4	7	7
2	4	+2	Germany	87.30	7	3	24	3	14	11
3	7	+4	Finland	85.57	9	16	5	13	9	8
4	5	+1	Switzerland	85.49	3	4	7	8	13	3
5	10	+5	Israel	84.78	1	33	8	5	36	2
6	3	-3	Singapore	84.49	13	5	11	17	1	13
7	2	-5	Sweden	84.15	4	15	9	6	20	5
8	11	+3	U.S.	83.21	10	25	6	1	43	28
9	6	-3	Japan	81.96	5	7	22	10	39	18
10	9	-1	France	81.67	12	41	13	2	11	20
16	19	+3	China	78.35	14	13	47	11	6	39
54	NR	-	India	47.93	47	54	58	29	51	59

Source: Bloomberg Innovation Index 2019

According to the Table 3 it has been observed that in the recent years some of the large emerging markets namely China, India and Indonesia have started to improve. In the case of China there was remarkable progress in terms of number of International patent applications filed wherein China stood second only after USA (Bloomberg Innovation Index, 2019).

It can be observed that India has improved on innovations, due to the measures taken by the Govt of India in terms of its initiatives such as Start-up India, Stand-up India and Digital India which has not only created awareness on Innovations and Start-ups at the school and college level but started giving fruits towards the change in the thinking of higher educational institutions, their management, faculty and students.

f) The Road Ahead for Innovations and Start-Ups

At the University/college level managements of the respective bodies should make use of the policies designed by the central and state governments, frame their own policies towards development of Innovations and Start-Ups. They should create the requisite climate for motivating and encouraging students in this field. They should organize competitions related to Innovations and Business Plan which will help unearth the hidden talent among students. They should identify the best ideas and nurture them by setting up an incubation facility in the college. The inventions so developed should be encouraged to get patented. The ideas that have a market potential should be developed for large scale production and commercialized.

IV. Findings

Innovation will help in betterment of the Society as it creates new products and services which will better the facilities of human kind. The advanced and developed countries are an edge over the others in terms of innovations and in creating a conducive environment for innovations to happen. The commercialization of an innovation takes the form of a start-up. In India the progress towards Innovations is very slow. It is picking up in the recent years due to the policy measure taken by the Government to motivate Educational Institutions to encourage student innovations and start-ups. Incubation funding also has been raised to fuel the growth of the same. The University rankings have been tied up to the measures taken by them towards fueling innovations which has created a buzz in the atmosphere. If these policy measures are continued, it will generate a positive outcome.

V. Recommendations

As it has been found that due to the policy measures taken up by the Government in the recent past there has been a positive development in terms of creating awareness on innovations. There has been created a highly comprehensive environment in educational institutions due to the various hackathons organized by the Government of India.

Due to the measures taken towards improving our Ease of Doing business there has been an improvement from a position of 132 to 100.

1. Hence it is recommended that the policy measures taken by the Government should be continued.
2. Funding to Universities for developing innovations and start-ups should be continued and targets for the output achievement in terms of commercialization of the innovative projects should be set.
3. Incentives should be given for venture capital funds as in US and other developed countries. Venture Capitals are well developed and they have created reasonably good job opportunities.

4. VI. Conclusion

5. The economic measure of any country is done through Gross Domestic Product (GDP) and India had 4.8% of growth rate till 1991 and a higher growth rate was registered after Liberalization, Privitytization and Globalization policies roll out however there has not been any significant improvement in the innovations coming out from Industry or Universities unlike in the western countries. The policy measures of the present Government in terms of Start-up India, Standup India, Skill India, Digital India and Make in India have shown significant progress towards not only creating awareness on innovations and start-ups but in fueling the growth of start-ups.
6. Hackathon culture in HEI has shown remarkable progress towards changing the mindset of the youth towards making innovations as the order of the day. Government giving funding to HEI to setup Incubation centers has helped in a big way to increase the number of start-ups from Colleges.

7. VII,References

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