**AUTHORS**

**Dr. G. P. Prasian**
*Ass. Prof. & Head, Dept. of Commerce, Manipur University, Canchipur.*

**Dr. E. Nixon Singh**
*Lecturer in Commerce, D. M. College of Commerce, Imphal.*

# *Education - An Entrepreneurial Perspective*

***The most compelling charm for producers.***

**ABSTRACT**

*Entrepreneurship, of late, has attracted much public interest since it is the focus of bringing industrial growth and had been receiving the attention of the planners, policy-makers, social scientists, economists, industrialists, financial institutions, administrators and academicians. It is regarded as the most crucial factor in the economic development of a country. Educationists have also long been aware of the importance of education in the development of human resources. It may be noted that education, entrepreneurship and development are inter-related.The paper attempts to study the role of education in the socio-economic origin of entrepreneurs and offer suggestions for fostering entrepreneurship in small scale industries of Manipur. The authors are of the opinion that education can play a great role in the development of entrepreneurship in small scale industries of Manipur.*

## 1. INTRODUCTION

Entrepreneurship of late, has attracted much public interest since it is the focus of bringing industrial growth and had been receiving the attention of the planners, policy-makers, social scientists, economists, industrialists, financial institutions, administrators and academicians. Entrepreneurship is regarded as the most crucial factor in the economic development of a country. If some states like Manipur have remained underdeveloped today, it is obviously because of the dearth of entrepreneurship. In underdeveloped regions only a few men with growth prospective would come forward for changing the stationary inertia and creating pre-conditions for industrialisations, since they are motivated for higher achievements rather than financial gains.

Small scale industries contribute significantly to social and economic development objectives such as labour absorption, income distribution, rural development, poverty eradication, regional balance and promotion of entrepreneurship. It generates immediate employment opportunities with relative low capital/investment, promotes more equitable distribution of national income, makes effective mobilization of untapped capital and human skills and leads to dispersal of manufacturing activities all over the country, leading to growth of villages, small towns and economically lagging regions.

Educationists have long been aware of the importance of education in the development of human resources. It may also be noted that education, entrepreneurship and development are inter-related. Thus, formal education is always considered an important asset of an individual in building an occupational

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career. The formal education is expected to increase the supply of entrepreneurs by making available more skills necessary to entrepreneurial endeavour. The scope of the present study has been confined to the two districts of Manipur viz. Imphal East District and Imphal West District. It comprises 106 samples (estimated) of small scale industries which have been selected on random basis in such 56 samples from Imphal West Districts and the rest 50 from Imphal East District. The method of sampling adopted here is Stratified Random Sampling with proportional allocation in both stratums (two districts). The list of small scale industries is treated as sampling frame and the sample size is determined on the basis of a Pilot Survey (taking 10 small scale industries) say the mean + S.D. of daily sales amount (in rupees) that is 2634.20 + 2770.52 under the conditions that 95% degree of precision with 20% marginal error to the mean daily sales amount.

The formula used is --

$$n = \frac{Z\alpha^2 \text{ x } s^2}{e^2}$$

Where,
**n** = sample size
**e** = marginal error/permissible erro
**Z** = standard variation at "α" level
**s** = standard deviation.

In the selection of the sample units for the purpose of the study, those with less than 5 years' existence and not working at present have been completely ignored. It had also been ensured to give representation to different types of industries.

## 2. FINDINGS OF THE STUDY

Entrepreneurs' education at the time of entry into entrepreneurship can be seen and analysed in Table 1. It is interesting to note that majority of them (49 out of 106) were graduates and post-graduates, particularly some in engineering and other technical disciplines. While undergraduates constituted 26.4 percent, matriculates accounted for 16.0 percent. It is worthwhile to mention that 11.3 percent of the total entrepreneurs were under-matriculates. In other words, a low level of education has not thus deterred the under-matriculates to be ahead of others in industrial entrepreneurship.

District-wise, it was found that graduates and post-graduates constituted 48.2 percent in Imphal West District and 44.0 percent in Imphal East District. Under-graduate entrepreneurs were 30.4 percent in Imphal West District while they constitute 22.0 percent in Imphal East District. Only 8.9 percent and 14.0 percent were under-matriculates in Imphal West and Imphal East Districts respectively.

Qualification-wise, out of the entrepreneurs with graduate qualification, 53.8 percent and 46.2 percent respectively were in Imphal West and Imphal East Districts. Even among the post-graduates, Imphal West District constituted 60.0 percent and Imphal East Districts 40.0 percent. While Imphal West District accounted for 41.7 percent under-matriculates, Imphal East District accounted for 58.3 percent of the same.

It is thus clear that a large majority of the respondents in both the districts were educated upto under-graduation and graduation.

**TABLE 1: ENTREPRENEURS' EDUCATION: DISTRICT-WISE CLASSIFICATION**

| Educational Qualification of Entrepreneurs | | Districts | | Total |
|---|---|---|---|---|
| | | Imphal West | Imphal East | |
| Under-matriculate | Count | 5 | 7 | 12 |
| | % within Qualification | 41.7 | 58.3 | 100.0 |
| | % within District | 8.9 | 14.0 | 11.3 |
| | % of Total | 4.7 | 6.6 | 11.3 |
| Matriculate | Count | 7 | 10 | 17 |
| | % within Qualification | 41.2 | 58.8 | 100.0 |
| | % within District | 12.5 | 20.0 | 16.0 |
| | % of Total | 6.6 | 9.4 | 16.0 |
| Under-graduation | Count | 17 | 11 | 28 |
| | % within Qualification | 60.7 | 39.3 | 100.0 |
| | % within District | 30.4 | 22.0 | 26.4 |
| | % of Total | 16.0 | 10.4 | 26.4 |
| Graduate | Count | 21 | 18 | 39 |
| | % within Qualification | 53.8 | 46.2 | 100.0 |
| | % within District | 37.5 | 36.0 | 36.8 |
| | % of Total | 19.8 | 17.0 | 36.8 |
| Post-graduate | Count | 6 | 4 | 10 |
| | % within Qualification | 60.0 | 40.0 | 100.0 |
| | % within District | 10.7 | 8.0 | 9.4 |
| | % of Total | 5.7 | 3.8 | 9.4 |
| **Total** | **Count** | **56** | **50** | **106** |
| | **% within Qualification** | **52.8** | **47.2** | **100.0** |
| | **% within District** | **100.0** | **100.0** | **100.0** |
| | **% of Total** | **52.8** | **47.2** | **100.0** |

**SOURCE :** Field Survey

### Educational qualification of entrepreneurs and their age at the time of entry

On examining the educational level of entrepreneurs across their age at the time of starting their industrial units, one can understand whether there is any influence to push them into industrial entrepreneurship by their level of education. It may be observed from Table 2 that out of the entrepreneurs who entered industry at the age group of 21-30 years, graduates formed the highest (41.7 percent). 60.0 percent and 40.0 percent of the post-graduates entered at the age of 21-30 and 31-40 years respectively.

On the other hand, 50.0 percent of the entrepreneurs who started their units in the age group of 51 & above years were only educated upto under-matric. At the same time, 7.1 percent under-graduate and 2.6 percent graduate entrepreneurs were cautions enough to enter industry at this later age of 51 & above years. Altogether there are only 6 entrepreneurs in the age group for 51 & above. It is under-matriculates who are the majority (50 percent) in this age group. It was found that matriculates

made an entry into industrial entrepreneurship at the youngest age (average age : 27.29 years) followed by post-graduates (average age : 31.10 years) and under-graduates (average age : 32.21 years ). It is worthwhile to mention here that under-matriculates made an entry into entrepreneurship at a later age (average age: 36.25 years).

These observations make necessarily one feel that education plays a pivotal role to the cause of the furtherance of entrepreneurship. Educated people who have joined the industry in their prime age can do lot of good work in the development of nation. It is that age where people can face challenges boldly with more determination and seize the opportunity offered to them. Hence, it can be concluded that people with higher educational levels are finding their entry into industry earlier.

**TABLE 2: ENTREPRENEURS' EDUCATION: AGE AT THE TIME OF ENTRY**

| Age at the Time of Entry | | Educational Qualification of Entrepreneurs | | | | | Total |
|---|---|---|---|---|---|---|---|
| | | Under-Matriculate | Matriculate | Under-Graduate | Graduate | Post-Graduate | |
| 20 & above | Count | 2 | 5 | 1 | | | 8 |
| | % within Age | 25.0 | 62.5 | 12.5 | | | 100.0 |
| | % within Qualification | 16.7 | 29.4 | 3.6 | | | 7.5 |
| | % of Total | 1.9 | 4.7 | .9 | | | 7.5 |
| 21-30 | Count | 3 | 6 | 13 | 20 | 6 | 48 |
| | % within Age | 6.3 | 12.5 | 27.1 | 41.7 | 12.5 | 100.0 |
| | % within Qualification | 25.0 | 35.3 | 46.4 | 51.3 | 60.0 | 45.3 |
| | % of Total | 2.8 | 5.7 | 12.3 | 18.9 | 5.7 | 45.3 |
| 31-40 | Count | 1 | 4 | 10 | 12 | 4 | 31 |
| | % within Age | 3.2 | 12.9 | 32.3 | 38.7 | 12.9 | 100.0 |
| | % within Qualification | 8.3 | 23.5 | 35.7 | 30.8 | 40.0 | 12.3 |
| | % of Total | .9 | 3.8 | 9.4 | 11.3 | 3.8 | 12.3 |
| 41- 50 | Count | 3 | 2 | 2 | 6 | | 13 |
| | % within Age | 23.1 | 15.4 | 15.4 | 46.2 | | 100.0 |
| | % within Qualification | 25.0 | 11.8 | 7.1 | 1.4 | | 12.3 |
| | % of Total | 2.8 | 1.9 | 1.9 | 5.7 | | 12.3 |
| 51 years & above | Count | 3 | | 2 | 1 | | 6 |
| | % within Age | 50.0 | | 33.3 | 16.7 | | 100.0 |
| | % within Qualification | 25.0 | | 7.1 | 2.6 | | 5.7 |
| | % of Total | 2.8 | | 1.9 | .9 | | 5.7 |
| **Total** | **Count** | **12** | **17** | **28** | **39** | **10** | **106** |
| | **% within Age** | **11.3** | **16.0** | **26.4** | **36.8** | **9.4** | **100.0** |
| | **% within Qualification** | **100.0** | **100.0** | **100.0** | **100.0** | **100.0** | **100.0** |
| | **% of Total** | **11.3** | **16.0** | **26.4** | **36.8** | **9.4** | **100.0** |

**Source:** Field Survey

**Entrepreneurs' education and their generation**

An attempt is here made to examine whether there is any relationship between entrepreneurs' education and the generation they belongs to Table 3 observes that 76.9 percent graduate entrepreneurs were first generation while the rest are second generation. It is very interesting to note that all the post-graduate entrepreneurs are first generation entrepreneurs. On the other hand, the only third generation entrepreneur is educated upto twelve standard. It can thus be concluded that higher the level of education the greater is the chance to start industry as a first generation entrepreneur.

**Table 3: Entrepreneurs' Education: Generation of Entrepreneurs**

| Educational Qualification of Entrepreneurs | | Generation of Entrepreneurs | | | Total |
|---|---|---|---|---|---|
| | | First | Second | Third | |
| Under-Matriculates | Count | 10 | 2 | | 12 |
| | % within Qualification | 83.3 | 16.7 | | 100.0 |
| | % within Generation | 11.9 | 8.5 | | 11.3 |
| | % of Total | 9.4 | 1.9 | | 11.3 |
| Matriculates | Count | 14 | 3 | | 17 |
| | % within Qualification | 82.4 | 17.6 | | 100.0 |
| | % within Generation | 16.7 | 14.3 | | 16.0 |
| | % of Total | 13.2 | 2.8 | | 16.0 |
| Under-graduates` | Count | 20 | 7 | 1 | 28 |
| | % within Qualification | 71.4 | 25.1 | 3.6 | 100.0 |
| | % within Generation | 16.7 | 33.3 | 100.0 | 26.4 |
| | % of Total | 18.9 | 6.6 | .9 | 26.4 |
| Graduates | Count | 30 | 9 | | 39 |
| | % within Qualification | 76.9 | 23.1 | | 100.0 |
| | % within Generation | 35.7 | 42.9 | | 36.8 |
| | % of Total | 28.3 | 8.5 | | 36.8 |
| Post-graduates | Count | 10 | | | 10 |
| | % within Qualification | 100.0 | | | 100.0 |
| | % within Generation | 11.9 | | | 9.4 |
| | % of Total | 9.4 | | | 9.4 |
| **Total** | **Count** | **84** | **21** | **1** | **106** |
| | **% within Qualification** | **79.2** | **19.8** | **.9** | **100.0** |
| | **% within Generation** | **100.0** | **100.0** | **100.0** | **100.0** |
| | **% of Total** | **79.2** | **19.8** | **.9** | **100.0** |

**Source:** Field Survey

## 3. SUGGESTIONS

The following suggestions are made to resolve the various issues relating to educational qualifications of entrepreneurs : -

i) In order to run industrial enterprise on efficient lines, proper training, motivation and wide expose become extremely important. It is universally accepted that **"entrepreneurs can be taught and made."** In India in general and in Manipur in particular, illiteracy has been the main stumbling block for entrepreneurship development. Therefore, the first step to adopt is

to provide suitable education and training to the people. The encouragement and development of entrepreneurship culture should become the core part of our education system, so that the young men and women can become **"job givers"** and not **"job seekers".**

ii) The entrepreneurs should develop a proper industrial plan before starting a unit. Undertaking of feasibility study either by himself or through outside agencies can be very helpful in this regard.

iii) The entrepreneurs should take proper training through the government and non-governmental agencies before starting a unit, this enables the entrepreneurs to protect their units from sickness.

iv) Low level of education should not deterred one to start an industrial venture. Though, it is a fact that people with higher educational levels are finding their entry into industry earlier. Moreover, higher the level of education, the greater is the chance to start industry as a first generation entrepreneur.

v) Everyone cannot be a successful entrepreneur. An individual must have certain values and traits to be a successful entrepreneur. The traits and values are need for achievement, need for power, positive work value; moderate job anxiety, risk taking propensity, internal control orientation, high level of aspiration and preference for participative and nuturant-task styles of leadership.

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