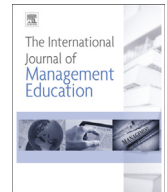


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Entrepreneurial intensity in relation to presence of entrepreneurship development cell: A study of institutes offering professional courses in national capital region Delhi, India

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ABSTRACT

Entrepreneurship is the back bone of economic growth of any country. Entrepreneurship can be fostered by inculcating entrepreneurial skills right at the stage of education. The presence of Entrepreneurship Development Cell (EDC) in educational institutes helps in developing entrepreneurial culture in academic institutions so as to foster growth of innovation and entrepreneurship. With this premise a study was conducted on 1254 students of government and private institutes pursuing post graduation in Commerce, Science and Humanities with/without exposure to EDC in the national capital region of India. The results of the present study show that the students exposed to the activities of EDC are significantly higher on Innovation as compared to the students who do not get any such exposure. Also results shows that even the students of courses like science and humanities (these courses do not include business subjects) in private institutes are higher on Frequency of Entrepreneurial Activities where they are exposed to Entrepreneurial Development Cells.

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1. Introduction

Entrepreneurship is one of the most important inputs in the economic development of a country. All industrially developed countries like USA, Japan, Germany enjoys this growth because of entrepreneurs. India is known for its trade capacity in pre colonial era and the evidences of entrepreneurship dates back to 1st century during the Kanishka empire. The entrepreneurs were known as 'Sahukar'. According to economic historian [Madison \(2007\)](#) in his book *Contours of the world economy, 1-2030 AD: essays in Macro-economic history*, India had the world's largest economy during the years 1 AD and 1000 AD. He further mentions that India's share of the world income was higher up to 1500 AD amounting to 27% of the world's income ([Madison, 2006](#)). India enjoyed this status because of its entrepreneurs. However, due to colonization the entrepreneurial capacity of India was brutally hampered and bought the country down to start from scratch as a developing economy. India with its ambitious growth targets emerged as a strong economic force with the second largest growth rate after China. All this has become possible due to entrepreneurs of the country. But to fetch our position of number one more

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efforts is required in generating a large number of entrepreneurs. Entrepreneurial efforts have been found to create a broad array of economic benefits, together with new businesses, new jobs, new products and services. Further, to retain the entrepreneurial approach to economic growth, developed or developing nations must provide opportunities for education directed specifically at entrepreneurial skills. India presently demographically being the country of young population can harness this opportunity to generate more entrepreneurs by enhancing the entrepreneurial intensity of its pupil.

Morris and Sexton (1996) refer varying levels of entrepreneurship as Entrepreneurial Intensity. The concept of entrepreneurial intensity is derived from the assumption that entrepreneurial behavior differs in terms of its level of innovativeness, pro-activeness and Risk Taking characteristics. Entrepreneurial intensity can also be considered as a continuum with conservative behavior on one extreme and entrepreneurial behavior in other extreme (Barringer & Ireland, 2008). Kuratko (2004) argues that entrepreneurship is a learning process that encompasses Risk Taking, tenacity and opportunity seeking. Volery and Müller (2006) heighten the importance of encouraging and fostering entrepreneurship. According to them, such acts are embodied by motivating potential entrepreneurs and equipping them with the required skills to seize opportunities and transform them into successful ventures. Gorman, Hanlon, and King (1997) confirm “that entrepreneurial attributes can be positively influenced by educational programs and that many entrepreneurship programs and courses are able to build awareness of entrepreneurship as a career option and to encourage favorable attitudes toward entrepreneurship”. To achieve this, higher education institutions have to play the major role. Researchers have shown that with the presence of entrepreneurship development cell students can be motivated and promoted to start their own entrepreneurial ventures.

Entrepreneurship Development Cells (EDCs) or business incubators have a significant role in the higher education system. Business incubation is the temporary, facilitative support provided to start-up enterprises through the delivery of complex services and special environment with the aim of improving their chance of survival in the early phase of the life span and establishing their later intensive growth. EDCs, by providing timely help and support to new ventures, hold the potential to create and develop entrepreneurial talent at the micro-level and foster an environment for entrepreneurship at the macro level. A university/institute business incubator connects enterprising students with mentors from faculty and the business community, provides professional office space and also facilitates business development to help work out the multitude of problems every fledgling endeavor faces. An EDC provides a plethora of services like-seed capital programs, one-on-one technical assistance, legal and accounting services, market research assistance, resource library, training programs, networking opportunities etc. Such a system is well knitted into the fabric of the university to create a sentient learning environment where classroom education is made relevant to student entrepreneurs. The presence of an incubator on campus inspires, equips and mobilizes students to take action that builds vibrant social systems. This experiential component is crucial to make entrepreneurship a more integral part of student's learning experience.

In the present study, we propose that EDCs also enhance the entrepreneurial intensity of the students. EDCs are focused on increasing the understanding and knowledge of entrepreneurship among the students, and thus infusing their entrepreneurial skills and behavior as a prerequisite for an entrepreneurial process. Therefore the present study attempts to understand the relationship (if any) of presence of entrepreneurship development cell with the entrepreneurial intensity of the students.

2. Review of literature

There is evidence that academically educated entrepreneurs are more important in developing regional economies than entrepreneurs with a lower level of education. This view is based on research results that reveal that entrepreneurs with a higher academic background are more often innovative, use modern business models, and base their ventures on the use of new technology (Pajarinen, Rouvinen, & and Yi, 2006). The importance lies in using high-level skills in starting new business ventures and nurturing them on a growth path (Minniti & Lévesque, 2008). Thus, from the point of view of a national economy, it is hoped that a large portion of academically educated people would pursue an entrepreneurial career. To start and sustain new business ventures are important tasks for both policy makers and academics. Thus, higher education institutions play a fundamental role. Besides their traditional teaching, they are challenged to provide their students actively with the appropriate motivation, knowledge and abilities for firm creation, often articulated as relevance or the third mission of universities (Etzkowitz, Webster, Gebhardt, & Terra, 2000; Gibb, 1996; Johannisson, Handström, & Rosenberg, 1998). Ewert and Baker (2001) suggest higher education differentially prepares people humanistic and technical. Then individual in different academic major fields who grasp different knowledge which may act as a mediate role for entrepreneurship abilities. A lot of studies suggest that entrepreneurs are cultivated during their lifetime, and education is very important to build entrepreneurship in people's mind (Lee, Lim, Pathak, Chang, & Li, 2006). Because educational background is a key demographic variable, it is often included in the analysis by researchers (Davidson, 1995; Kolvereid & Isaksen, 2006; Liñán and Chen, 2006). Politis (2008, p. 65) has stated that entrepreneurial teaching, i.e. “attempts to stimulate entrepreneurial activities through formal training and education” are “not likely to have a strong and direct impact on the development of entrepreneurial knowledge”. Thus he concludes that education should focus on “developing creativity, critical thinking and reflection among individuals, which in turn can have a profound influence on both their motivation and ability to develop entrepreneurial knowledge throughout their professional lives”. However, there is also sufficient evidence that there are successful methods in education for entrepreneurship (Henry, Hill, & Leitch, 2003, 2005a, b). Platt (2004) has reported positive learning results in attitude related competence areas in a program of teaching entrepreneurial skills in Dubai. Saurio

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