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Management Education and Entrepreneurial Skill Set – A Study among MBA Students of Bangalore

J. Krithika

Research Scholar, R&D Centre, Bharathiar University, Coimbatore

Dr. B. Venkatachalam

Director, Shrushruthi Institute of Management Studies, Bangalore

Abstract:

Entrepreneurial activity in a country is strongly associated with its economic growth. To sustain in the present knowledge based economy, entrepreneurs must possess certain skill sets. Previous researchers have identified various functional and entrepreneurial skills that are needed for successful entrepreneurship. This study has identified three skills that were identified as critical by most of the researchers and attempts to assess these skill sets among MBA students of Bangalore. The relationship of demographic variable with the skill sets was also studied. The findings revealed that the students perceive to possess the skills and opportunity recognition skill is found to be more. Demographic factors like parental occupation and their academic major has a significant relationship with the perceived possession of skill sets whereas gender of the students do not have significant relationship with skill sets.

Keywords: *Entrepreneurship, Entrepreneurial Skill, Economy, Opportunity, Decision making.*

1. Introduction

The importance of entrepreneurship has intensified in recent era, particularly with the rise in knowledge intensive services. New entrepreneurs who do not belong to traditional business communities are starting their business ventures in large numbers. In last twenty years entrepreneurship has grown rapidly, which creates wealth, employment generation and social benefit at large. National knowledge commission (NKC) considers entrepreneurship as critical to India's growth and development. Entrepreneurship as defined by NKC is "the professional application of knowledge, skills and competencies and monetizing new ideas, by an individual or set of people by launching and enterprise or diversifying from an existing one, thus to pursue growth while generating wealth, employment and social good". Reynolds et al. (2000) after their detailed study in 21 countries concluded that successful entrepreneurial activity is strongly associated with economic growth. Significant relationship between the entrepreneurial competencies and firm performance is reported in empirical studies done in the recent years. Do the young management students possess the needed skills to start and successfully run the entrepreneurial venture? An attempt is made to study whether the MBA students possess some of the needed skill sets which will turn them as successful entrepreneurs in future.

2. Review of Literature

Sonnenfeld and Kotter's (1982) study relating to decision to enter self-employment, used static personality differences to refer to how people make career choices that match their personality. Traits that are commonly associated with the entrepreneurs include innovation, risktaking, independence, hardworking, locus of control and self-confidence.

According to Bird, entrepreneurial competencies are carried by individuals – the entrepreneurs who begin or transform organisations and who add value through their organising of resources and opportunities (Bird, 1995). In her work Bird (1995), concurs with researchers on managerial competence when she notes the importance of distinguishing between competency which contributes towards success and competence as a minimum or baseline standard. She suggests that the competencies necessary to launch a new venture or to plan a new venture may be conceived as "baseline" and highly effective entrepreneurs are those who go beyond launch into organisations who survive and grow. Of further importance is that competencies are learnable, therefore recognising the importance of competencies and identifying these is crucial for educators and the development of learning opportunities. Bird (1995) suggests that entrepreneurial competencies are defined as underlying characteristics such as specific knowledge, motives, traits, self images and social skills which results in venture birth, survival and growth.

In a study conducted by Stuart and Lindsay (1997) similarly also defined competencies as a person's skills, knowledge, and personal characteristics. Entrepreneurial competencies have also been understood in terms of traits, skills and knowledge and there has been interest in how these skills are applied in different contexts. Most researchers recognise that there is a major dichotomy in entrepreneurial competencies, and differentiate the entrepreneurial competencies necessary to start a business from those necessary to manage the business through growth.

Johnson and Winterton (1999) observe that the range of skills and competencies required to run a small firm are qualitatively as well as quantitatively different from those needed in larger organisations. This is at least in part because; in an entrepreneurial

context the focus is on the individual. Competency theory is based on studying successful leaders, breaking down their behaviours, attitudes and skills into measurable aspects, and looking for ways of bringing them together in order to create individuals who demonstrate superior performance. Skills necessary for successful entrepreneurship may include, for example, oral presentation skills, interpersonal skills, and the ability to prepare and present a business plan.

Man et al. (2002) defined entrepreneurial competencies as the total ability of the entrepreneur to perform a job role successfully. There is a general consensus that entrepreneurial competencies are carried by individuals, who begin and transform their businesses. In a study conducted by Man et al. ten areas of entrepreneurial competencies, also from a behavioural perspective, have been distinguished, namely; opportunity, relationship, analytical, innovative, operational, human, strategic, commitment, learning and personal strength competencies. They were demonstrated to have either direct or indirect impacts on SME performance. One of the major challenges for a new venture is that both the problems faced and the skills necessary change as the firm moves from one stage of development to another. Therefore, understanding the changes required as a consequence of growth is vital as entrepreneur's skills and capabilities, as approaches thought desirable for one stage will be inappropriate for another.

3. Objectives of the Study

The main objective is to study the entrepreneurial skill set among the MBA students in Bangalore with special reference to the skills - opportunity seeking, problem solving and persistence. The study also aims to examine the relationship between demographic variables and the skills.

4. Scope of the Study

The management education is expected to be oriented towards stimulating entrepreneurial skills and values among the students. Some societies are characterised by certain values such as preference of self-employment, desire of independence, love to take risk, which can trigger entrepreneurial activity. In successful entrepreneurial countries education system plays a significant role by appropriate curriculum design, research encouragement, practical training. Role of risk taking culture is seen as an obstacle for growth of entrepreneurship. MBA pedagogy can nurture risk taking qualities in students and supports to gain core business skills, leadership qualities and team work. Since MBA program can support the entrepreneurs in starting and running a business and also focus on the entrepreneurial qualities, an attempt is made to evaluate the entrepreneurial skills of MBA students.

5. Research Methodology

5.1. Research Design

This research is descriptive by nature which focuses on representing the respondent's opinion as it is.

5.2. Data Collection

Structured questionnaire was used to collect the primary data from the final year MBA students of 2013-2014 batches and the secondary data was collected from journals and earlier research reports. .

5.3. Sampling Design

The respondents were selected based on the convenient sampling. The students who are interested to participate in this study were treated as respondents. The sample size is 260 MBA students.

6. Analysis and Interpretation

6.1. Opportunity Recognition

Opportunity recognition, which means, an entrepreneur is always on the lookout or searching for opportunity and is ready to exploit it in the best interests of the organisation. The statements utilised to assess the opportunity recognition skill among the MBA students are 'I like challenges and new opportunities', 'I notice opportunities to do new things' and 'I take advantage of opportunities that arises'. Mean score of the items comprising of entrepreneurial opportunity seeking skill of MBA students are shown in table no 1. By observing the mean values we can also see that mean score for the statement 'I like challenges and new opportunities' is more than the other two statements.

Opportunities Recognition	N	Mean	Std. Deviation
I like challenges and new opportunities	260	4.21	0.82
I notice opportunities to do new things	260	4.10	0.98
I take advantage of opportunities that arise	260	3.90	0.99

Table 1: Attributes that's describes you – Opportunity Recognition

Source: primary data

To study the influence of gender on opportunity recognition skill, the following hypotheses were developed. Chi-square analysis is used to test the hypothesis.

6.1.1. Hypothesis - 1

- Ho: There is no significant relationship between the respondent's gender and their opinion on the statement - I like challenges and new opportunities.
- H1: There is a significant relationship between the respondent's gender and their opinion on the statement - I like challenges and new opportunities.

S.No	Respondent's Gender	No. of Respondents	Percentage
1	Male	127	48.84
2	Female	133	51.15
	Total	260	100

Table 2: Gender of the respondents

Source: Primary data

S.No	Respondents Opinion	No. of Respondents	Percentage
1	Strongly Agree	125	48.07
2	Agree	123	47.30
3	Neutral	12	4.61
4	Dis agree	0	0
5	Strongly disagree	0	0
	Total	260	100

Table 3 - Respondents opinion on the statement – 'I like challenges and opportunities'

Source: Primary data

Gender/ Opinion	Strongly Agree	Agree	Neutral	Disagree	Strongly disagree	Total
Male	25	90	12	0	0	127
Female	100	33	00	0	0	133
Total	125	123	12	0	0	260

Table 4: Chi – square table

6.1.2. Interpretation

The table value of the chi – square at 5% level of significance is 5.99 and the calculated value of the chi – square is 2.2376. Here the table value is more than the calculated value. Hence we support the null hypothesis. There is no significant relationship exists between student's gender and their liking towards challenges and opportunities.

6.2. Persistence Skill

Persistence, which means an entrepreneur is never disheartened by failures and follows the golden rule 'Fall seven times, stand up eight time' and has the attitude of Try – Try again. The statements to study this skill are 'When faced problems, I spend lot of time trying to find a solution' and 'When something gets in the way of what I am trying to do, I keep on trying to accomplish what I want'. Mean score of the items are depicted in table no 5. It may be seen that mean score for the statement 'when something gets in the way of what I am trying to do, I keep on trying to accomplish what I want' is higher than the other items.

Persistence	N	Mean	Std. Deviation
When faced with difficult problem, I spend a lot of time trying to find a solution	260	3.62	1.06
When something gets in the way of what I am trying to do, I keep on trying to accomplish what I want	260	3.89	0.97

Table 5: Attributes that's describes you – Persistence

Source: Primary data

6.2.1. Hypothesis – 2

- Ho: There is no significant relationship between student's parental occupation and their response to statement – 'When faced with difficult problem, I spend a lot of time trying to find a solution'
- H1: There is a significant relationship between student's parental occupation and their response to statement - 'When faced with difficult problem, I spend a lot of time trying to find a solution'

S.No	Parental Occupation	No. of Respondents	Percentage
1	Businessman	82	31.5384
2	Official	108	41.5384
3	Farmer	60	23.0769
4	Others	10	3.8461
	Total	260	100

Table 6 : Table showing the parental occupation of the respondents

Source: Primary data

S.No	Respondents Opinion	No. of Respondents	Percentage
1	Strongly Agree	152	58.46
2	Agree	96	36.92
3	Neutral	06	2.307
4	Disagree	06	2.307
5	Strongly disagree	0	0
	Total	260	100

Table 7: Respondents opinion on the statement – ‘When faced with difficult problem, I spend a lot of time trying to find a solution’
Source: Primary data

Parental Occupation /Respondents opinion	Strongly Agree	Agree	Neutral	Disagree	Strongly disagree	Total
Businessman	82	0	0	0	0	82
Official	58	50	0	0	0	108
Farmer	12	46	2	0	0	60
Others	0	0	0	0	0	0
Total	152	96	6	6	0	260

Table 8: Chi – square table

6.2.2. Interpretation

Here the table value is less than the calculated value. Hence we reject the null hypothesis and accept the alternative hypothesis. There is a significant relationship existing between the parental occupation of respondents and their persistence skill.

6.3. Problem Solving Skill

To assess the MBA student’s problem solving skill, which means taking problems as challenges and putting their best for finding out the most appropriate solution for solving it. It also means understanding the problem and then identifying most appropriate solution for the problem. The statements used to assess the problem solving skills are ‘I think of unusual solutions to problems’, ‘I think of many new ideas’ and ‘I think of many ways to solve problems’. It may be observed that the mean value of the student’s response for the statement “I think of many ways to solve problems” is higher than other two statements.

Problem Solving	N	Mean	Std. Deviation
I think of unusual solutions to problems	260	4.10	0.98
I think of many new ideas	260	3.89	0.96
I think of many ways to solve problems	260	4.17	0.82

Table 9: Attributes that’s describes you – Problem Solving
Source: Primary data

6.3.1. Hypothesis – 3

- Ho: There is no significant relationship between the specialisation of the respondents and their response for the statement – I think many ways to solve the problems.
- H1: There is a significant relationship between the specialisation of the respondents and their response for the statement – I think many ways to solve the problems.

S.No	Specialisation	No of Respondents	Percentage
1	Finance	159	61.1538
2	Marketing	81	31.1538
3	HRM	11	4.2307
4	Others	9	3.4615
	Total	260	100

Table 10: Respondent’s specialization
Source: Primary data

S.No	Respondents Opinion	No. of Respondents	Percentage
1	Strongly Agree	120	46.1538
2	Agree	121	46.5384
3	Neutral	3	1.1538
4	Disagree	10	3.8461
5	Strongly disagree	6	2.3076
	Total	260	100

Table 11: Respondents opinion on the statement – ‘I think many ways to solve the problems’
Source: Primary data

Specialisation/Respondents opinion	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	Total
Finance	72	87	0	0	0	159
Marketing	30	32	3	10	6	81
HRM	9	2	0	0	0	11
Others	9	0	0	0	0	9
Total	120	121	3	10	6	260

Table 12: Chi – square table

6.3.2. Interpretation

Here the calculated value is more than the table value. Hence we reject the null hypothesis and accept the alternative hypothesis. So there is a significant relationship between the specialisation of the respondents and their opinion on the statement – I think many ways to solve the problems which are high among the students.

7. Findings, Suggestions and Conclusion

7.1. Findings

- MBA students possess the entrepreneurial skills under study – persistence, opportunity recognition and problem solving. The opportunity recognition and problem solving skills are found to be more than the persistence skill.
- There is no significant relationship exists between the gender of the respondents and opportunity recognition. MBA students possess the entrepreneurial skill - opportunity recognition irrespective of their gender.
- There is a significant relationship between the specialisation of the respondents and their problem solving skill. Finance specialisation students possess more problem solving skills compared to other specialisation students.
- There is a significant relationship existing between the parental occupation of the respondent and entrepreneurial skill – persistence. The students whose parents are business man has a strong persistence skill.

7.2. Suggestions

This study results supports that MBA students in Bangalore possess the needed entrepreneurial competencies – Opportunity seeking, problem solving and persistence skill. The important aspects of entrepreneurship like knowledge on corporate law, tips on scaling up, sources for funds may be added in their curriculum which were also in line with the respondent's expectations. The entrepreneurship and innovation cell at IIMB can be kept as a bench mark. Even every Institution offering MBA courses can provide insight to their students on incubation and business plan preparation. Special seminars and conferences on entrepreneurial skills and business plan ideas can be organised where the successful entrepreneurs can encourage these MBA students by their experiences.

7.3. Conclusion

The ratio of MBA graduates establishing entrepreneurial ventures has steadily increasing (National Knowledge Commission Report on Entrepreneurship in India, 2008). Starting a business venture and running it during various phases successfully requires certain entrepreneurial skills. Study results found that majority of the students possess the needed entrepreneurial competencies and this may be seen as an impact of the MBA curriculum. Colleges offering MBA courses can further focus on the entrepreneurial activities through their well design Curriculum, training, starting EDI cell, business incubator concept etc by which they can support the society at large.

8. References

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