

Educational Entrepreneurs in Tamil Nadu – A Profile

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Abstract

Education has been considered as an indispensable asset of every individual, community and nation today. India's higher education system is the third largest in the world, after China and the United States (World Bank). TamilNadu occupies the first place in terms of possession of higher educational institutions in the private sector in the country with over 46 percent (27) universities, 94 percent (464) professional colleges and 65 percent (383) arts and science colleges (2011). Studies to understand the profile of the entrepreneurs providing higher education either in India or TamilNadu were hardly available. This paper attempts to map the demographic profile of the entrepreneurs providing higher education in Arts and Science colleges in TamilNadu through an empirical analysis, carried out among 25 entrepreneurs spread across the state. This paper presents a summary of major inferences of the analysis.

Keyword: Educational Entrepreneurs, Higher Education, Arts & Science, Gross Enrolment Ratio, Demographic Profile, National Knowledge Commission

Introduction

Enterprises are created by entrepreneurs. Although the career option of becoming an entrepreneur is available to all individuals in a society, a few only aspire for entrepreneurship. The reasons behind are under study for many years. Entrepreneurship as a character happens to be inborn and hereditary (Gartner, 1988, 1989;

McClelland, 1961; Hagen, 1962; Schatz, 1971), whereas it is claimed to be acquired (Berna, 1960; Gaikwad & Tripathi, 1970; Patel, 1981; Sharma, 1975; Baporikar 2011). Studies by Cochran (1958), Cole (1965), Lamp (1952) and Williamson (1964) have highlighted that entrepreneurship is significantly associated with personal profile. Male seems to take up entrepreneurship in large scale whereas females take up petty entrepreneurship (UNDP, 1980). Entrepreneurship as a character effects to cognizance among young people, after formal education while entrepreneurship flourishes among people who cross adult age. However Larry C. Farrell (2003) claims that level of education of entrepreneurs does not seem to have effect on the type of trade on which the enterprise is formed. Entrepreneurship as a survival strategy has been adopted by unemployed youth particularly in developing countries, by harnessing the opportunity and privileges of the macro environment particularly the government (CII, 2010). Further, entrepreneurial development is region specific (Brunodorin, 2003), religion/community specific, sector specific, demand specific and infrastructure based (Flamant, 2003).

Even though the success of the entrepreneurial venture is affected by the demographic, economic, social and psychological factors including the knowledge & social capital of the entrepreneurs, it is witnessed that it also depends upon the nature/pattern of institution/organisation in a given sector under a given environment (Singh, 2009). The following paragraph discusses the rationale behind private involvement.

The Indian Constitution under Article 45 enjoins free and compulsory education for children only until they complete

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Table 1: Age and Gender of the Educational Entrepreneurs

Sl.No.	Gender Category	Number of Respondents		Total
	Age Category	Male	Female	
1	Below 30 years	1(4.8%)	0(0.0%)	01(4.0%)
2	31 – 40 years	1(4.8%)	0(0.0%)	01(4.0%)
3	41 – 50 years	2(9.5%)	1(25.0%)	03(12.0%)
4	51 – 60 years	11(52.4%)	3(75.0%)	14(56.0%)
5	Above 60 years	6(28.6%)	0(0.0%)	06(24%)
	Total	21(84%)	4(16%)	25
	Mean Age	53.33	52.5	

Figures in brackets are percentages to column total 'chi' square value between age and gender is 2.501 which is not significant at 0.05 level

14 years of age; education beyond is at the discretion of the government (Tilak J.B.G, 2008). It is also found that percentage share of GDP spend on Higher Education is getting reduced every year (E&Y-FICCI, 2009), whereas the demand for higher education is constantly rising and expected to be 160 million by 2025 (Gupta, 2007; Glakas, 2003; Asha Gupta, 2008). The National Knowledge Commission (2006) has assessed only 7 percent of 18-24 age group pursuing higher education in India. The NKC suggested, India to become a knowledge society should have a gross enrolment ratio (GER) of 15 percent by 2015, for which it is estimated at least 1500 universities, when there were only 350 universities by the year 2006. The Birla Ambani Report (1993) has strongly advocated privatisation of higher education in India. Privatisation was also encouraged by the Centre and State government (Umrao Singh Chaudhari, 2009). In T.M.A Pai v Government of Karnataka judgement, the Supreme Court recognised the role of private sector involvement in higher education due to limited state resources. Higher education sector in 90's witnessed a new breed of colleges and institutions unaided, created, maintained and run with private finance created through a non-profit enterprise either in the form of registered trust or society (K.D. Raju, 2004).

In this paper, an analysis is made on the demographic profile of the educational entrepreneurs with reference to age, gender, education, previous occupation, community, marital status, place of domicile and nationality. The data/information relating to economic, personality, motivational, knowledge, and social profile of entrepreneurs in higher education could not be enumerated.

Age: Werner Bönnte, Oliver Falck & Stephan Heblich (2009) in their empirical studies have found an inverse

U-shaped relationship between age and the decision to start a business. In the study it was found that 80 percent of the entrepreneurs are above 50 years of age.

Thus the inferences of this study falls in line with the study conducted by Ewing Marion Kauffman Foundation (2005), which states that over the past ten years most of the founders of the companies were between the ages of 55 and 64 years.

Gender: Today the term “entrepreneur” no longer refers to males only. The autonomy and power of woman have become more obvious and clear (Purdy, 2005). Most people think that women are weaker than men in many factors. On the other hand, women are said to be more emotional in making decisions and very risk averse (McClelland, Swail, Bell, & Ibbotson, 2005).

However our study shows that male entrepreneurs dominate in the field of educational entrepreneurship, while female entrepreneurs is less with only sixteen percentage (Table1) and thus differ from the version of Anne Laure Humbert & Eileen Drew (2010) who claim that women entrepreneurs prefer education sector. Moreover the study could not establish relationship between age and gender of the educational entrepreneur since the chi square value is not significant at 0.05 level.

Marital Status and Family Size: Aldrich H. (1999) and Aldrich H. & C. Zimmer (1986) argued in support of the resources provided by the “strong ties” of family members. More recently, Chrisman, J.J., Chua, J.H., & Sharma, P. (2003), Howard E. Aldrich & Jennifer E. Cliff (2003) asserted that family represents a critical and often used resource for startups. Nevertheless, very few studies have expanded upon the role that families contribute

Table 2: Marital Status and Family Size of the Educational Entrepreneurs

Sl.No.	Marital Status	Number of Respondents		Total
	Family size	Married	Unmarried	
1	Small	1(100%)	0(0.0%)	01(4.0%)*
2	Medium	17(100%)	0(0.0%)	17(68%)*
3	Big	2(28.6%)	5(71.4%)	7(28%)*
	Total	20(80%)	5(20%)	25

Figures in brackets are percentages to column total.

*Figures in brackets are percentage to row total

Legend:

- A family constitutes wife and husband, child/children and elderly member if any.
- A family with four members, five to seven members and more than seven members is termed small, medium and big respectively.

for resource mobilisation. A sizeable proportion of new organisations are founded by two or more individuals related in their family. Aldrich, H.E. & Ruef, M. (2002) and Reynolds, P.D. & White S.B. (1997) found that people related by marriage or kinship have initiated one-fourth/one-third of the start-ups. During the start-up process, family plays an important role in the mobilisation of financial resources (Aldrich & Waldinger, 1990; Steier & Greenwood, 2000).

Thus, mounting empirical evidences suggest that family plays an important role in the entrepreneurship. In our study it is found that 68 percent of the entrepreneurs have medium size family and twenty eight per cent of the entrepreneurs have family consisting of more than seven and only one entrepreneur has a small family with four members.

As far as marital status is concerned, 80 percent of the educational entrepreneurs are married and only 20 percent are unmarried. It is noticed that all the entrepreneurs have sought support from groups for example the entrepreneurs under married category have sought support from their family members while the unmarried entrepreneurs particularly those belonging to religious groups (as a rule they abstain from marriage), have the family support which is otherwise called a community support and backing available to them from their community members.

Education: Hisrich R. D. (1990), Kalleberg A. & K. Leicht (1991), Krueger N.F. (1993), Lussiers & Pfeifer (2001), Masuo, D., G. Fong, J. Yanagida & C. Cabal (2001), Indarti, Nurul, & Marja Langenberg (2004), and Zeliha Han Ertuna & Eda Gurel (2011), claim that higher the formal educational level of the entrepreneurs, the most is the success in the business as education helps them to

become systematic, rational, technical and professional while Minniti & Bygrave (2003) saw no impact of education on the business success.

In this study it is found that the higher education entrepreneurs are well-educated unlike in other sectors. 76 percent of the entrepreneurs under the study are graduates and above. There is no evidence of an illiterate running an institution which is commonly seen in other entrepreneurial sectors. Education level of the women entrepreneurs is much higher than the male entrepreneurs. Among the graduates and above, 40 percent of the entrepreneurs are represented by women.

Nationality and Place of Domicile: India constitutionally being a socialistic, secular, union of states and a regulated economy, people can move to any part of the country, get employed, build institutions, follow any religion, study any language and take part in the development of the nation. Our constitution provides for people with only Indian origin and nationality alone can start an enterprise in the country and education sector is not an exception.

The study finds that all the entrepreneurs under survey are Indian origin and belong to Indian nationality. By place of domicile as found in Table 3, 48 percent of educational entrepreneurs belong to Tamil Nadu while 52 percent hail from other states such as Kerala, Andhra Pradesh and North Indian states. The reasons could be the prevalence of congenial environment to foster educational entrepreneurship in Tamil Nadu*¹.

1 * It is noticed in Kerala, Andhra Pradesh and a few other northern states in India where the Govts reported to have not favoured the private involvement in higher education (KPMG & Tie White paper, 2009)

Table 3: Place of Domicile and Previous Occupation of Edupreneurs

Sl.No.	Place of Domicile	Number of Respondents				Total
	Previous Occupation	TamilNadu	Kerala	AndhraPradesh	North India	
1	Employed in Public Sector	4	2	0	1	7(28%)
2	Employed in Private Sector	0	0	0	1	1(4%)
3	Trading/Business	4	2	0	2	8(32%)
4	Social Activity	1	0	0	0	1(4%)
5	Evangelical Missionaries	3	2	1	2	8(32%)
	Total	12	6	1	6	25
	% to total	(48)	(24)	(04)	(24)	100

Figures in brackets are percentage to row total

Caste/Community/Culture: Caste and religion form part of the cultural orientation in India. Indian Society is segmented into different strata. Since the castes in Indian society are innumerable, government has classified them into four categories viz. The Forward community (OC) Backward Classes (OBC), Scheduled Castes (SC) and Scheduled Tribes (ST). In our study, 76 percent of the entrepreneurs belong to backward community, which indicates trend change in entrepreneurship on education. During pre-independence and post-independence era provision of higher education have been regarded as a philanthropic activity mostly offered to the society by the Philanthropist like Sri Avinashilingam Chettiar of Tiruppur, Sri M.V. Muthiah Pillai and G.T. Narayanasamy Naidu of Dindigul, Sri Karumuttu Thiagarajar Chettiar of Madurai, Raja Sir Satappa Ramanatha Muttaiya Annamalai Chettiar of Sivagangai, Padma Bhushan Sir K.V.A.R. Alagappa Chettiar of Karaikudi, Dr. N. Mahalingam Gounder of Pollachi, Sri P.S. Govindaswamy Naidu of Coimbatore, Sri PachiyappaMudaliar of Chennai, K. R. Sundararajan Iyer of Chennai, Shri V.L. EthirajMudaliar of Vellore, Shri Jamuna Doss and Shri Purushotam Doss of Chennai, Thiru S. Ramalingam Pillai of Mayiladuthurai, Urumu Seshachalam Chettiar of Tiruchi who belong to forward community. New trend has set in by view of education as an entrepreneurial endeavor, mostly taken up by backward community such as Dr. Jeppiar, Dr. Pachamuthu, Dr. K.S. Rangaswamy and Sri M.V Muthuramalingam to name a few, due to the outcome of globalisation and privatisation.

Previous Occupation: Paige & Littrell (2002), defined enterprise by intrinsic criteria and extrinsic outcomes. Intrinsic criteria include freedom and independence, controlling a person's own future, and being one's own boss. Extrinsic outcomes include financial returns, personal income, and wealth sharing and the like. This

leads us to understand the previous occupation/profession of the educational entrepreneurs.

Table 3 shows that aggressive businessman and religious missions/missionaries each contribute thirty-two percent. An another 28 percent of the entrepreneurs understudy are employees in public sector and the employees in private sector and social activists through NGOs together constitute only eight percent. Further the income level/assets owned by the entrepreneurs prior to venturing into educational venture is reported to be a major influencer and motivator for entrepreneurs. Although the researcher miserably failed in eliciting data/information regarding income of the respondents, the study found more than one sources of income possessed by the entrepreneurs prior to their educational entrepreneurship.

Conclusion

An enquiry into the demographic profile of the entrepreneurs providing higher education through self-supported Arts and Science colleges in TamilNadu indicates a few emerging trends in the educational entrepreneurship sector. The analysis of the demographic profile of the entrepreneur in higher education sector reveals that majority of the entrepreneurs are males and their mean age is 53 years. However, Female seems to enter into entrepreneurship at their middle age while males at their old age. Family support is very apparent and majority of the educational entrepreneurs has higher level of education. Further, entrepreneurs belonging to backward class seem to take-up entrepreneurship on higher education to a larger extent than others. Businessmen and missionaries together are dominant in education sector in TamilNadu and majority of them belong to TamilNadu followed by Kerala state. The study leads us to inquire

on the entrepreneurial effectiveness by analyzing the services mix with reference to 7 P's viz. Product, Place, Price, Promotion, People, Physical evidence and process provided by the educational entrepreneurs in TamilNadu and their problems in designing and executing strategies in tune to the expectation of students who pursue higher education in TamilNadu.

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