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The Role of Education and Training in Developing Entrepreneurial Skills: Empirical Evidence from Vaishali District, Bihar

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Abstract
Entrepreneurship is increasingly recognised as a critical pathway for employment generation, innovation, and inclusive economic development, particularly in regions where formal employment opportunities remain limited. In Indian states such as Bihar, persistent structural constraints including low industrialisation, high population density, and dependence on informal livelihoods necessitate alternative development strategies. Education and training systems are therefore expected to play a central role in equipping individuals with entrepreneurial skills, enhancing self-reliance, and enabling sustainable enterprise creation. This study examines the role of formal education and skill-oriented training in developing entrepreneurial skills in Vaishali District, Bihar. Adopting a mixed-methods research design, the study integrates quantitative survey data with qualitative insights derived from interviews, field observations, and stakeholder interactions. The findings indicate that while formal education contributes to entrepreneurial awareness, cognitive development, and attitudinal orientation, vocational and entrepreneurship-focused training has a stronger influence on practical skill acquisition, entrepreneurial self-efficacy, and business initiation. The study further identifies gender-based constraints, limited access to finance, and weak ecosystem support as major factors moderating entrepreneurial outcomes. Based on the empirical evidence, a district-level entrepreneurship development framework is proposed, emphasising experiential learning, mentorship, financial inclusion, and institutional coordination. The study contributes to entrepreneurship education literature by offering district-specific evidence from a socio-economically complex rural context and provides actionable insights for policymakers, educators, and training institutions.

Keywords: Entrepreneurship education, vocational training, entrepreneurial skills, self-efficacy, rural entrepreneurship, Bihar

1. Introduction

Entrepreneurship has long been regarded as a key driver of economic growth, employment generation, and innovation across economies. Beyond the creation of new enterprises, entrepreneurial activity contributes to structural transformation by encouraging local value creation, diversifying income sources, and strengthening regional economic resilience. In developing economies, where labour markets are characterised by informality, underemployment, and limited industrial absorption capacity,

entrepreneurship often functions as a critical mechanism for livelihood generation and socio-economic mobility.

India's development trajectory exhibits significant regional variation. While metropolitan regions and industrialised states have benefited from global integration, service-sector expansion, and technological advancement, several states continue to face persistent development challenges. Bihar represents one such context, marked by low industrial density, high population pressure, seasonal migration, and a continued dependence on agriculture and informal sector employment. Despite gradual improvements in literacy rates, educational enrolment, and institutional access, the conversion of educational attainment into productive employment or entrepreneurial activity remains limited.

Vaishali District reflects many of these structural characteristics while also presenting distinct opportunities. Its geographical proximity to Patna offers potential advantages in terms of market access, institutional connectivity, and infrastructure availability. At the same time, entrepreneurial activity within the district remains predominantly informal, small-scale, and necessity-driven, with limited growth orientation or sustainability. Educational institutions, vocational training centres, and self-help group networks operate within the district, yet their collective impact on entrepreneurial outcomes has been uneven.

Against this backdrop, education and training systems are increasingly expected to function as catalysts for entrepreneurial development. Formal education can shape aspirations, strengthen cognitive capabilities, and foster entrepreneurial awareness, while vocational and entrepreneurship training aim to bridge the gap between knowledge and action by equipping individuals with practical skills. Understanding how these two dimensions interact at the district level is essential for designing effective entrepreneurship development strategies.

2. Literature Review and Theoretical Background

Entrepreneurship research demonstrates that entrepreneurial behaviour emerges from a complex interaction between individual capabilities and environmental conditions. Classical economic theories emphasise the entrepreneur's role in risk-bearing and resource coordination, while innovation-oriented approaches focus on creative destruction and opportunity exploitation. Psychological perspectives highlight individual traits such as achievement motivation, self-efficacy, and tolerance for ambiguity, whereas sociological and institutional theories stress the influence of social networks, cultural norms, and regulatory frameworks.

Human Capital Theory provides a foundational explanation for the role of education and training in entrepreneurship. According to this theory, investments in education enhance individuals' productive capacities by improving knowledge, skills, and adaptability. In entrepreneurial contexts, human capital extends beyond formal schooling to include vocational training, experiential learning, and soft skills such as communication, leadership, and resilience. Empirical studies consistently demonstrate that higher levels of relevant human capital increase the likelihood of enterprise initiation, innovation, and survival, particularly in resource-constrained environments.

The Theory of Planned Behaviour further explains entrepreneurial intention as a function of attitudes towards entrepreneurship, subjective norms, and perceived behavioural control. Education influences attitudes by shaping awareness and perceptions of entrepreneurship as a viable career option. Training enhances perceived behavioural control by strengthening confidence and practical competence. Exposure

to entrepreneurial role models and peer networks contributes to the formation of supportive social norms, increasing the social acceptability of entrepreneurship.

Empirical evidence from developing economies indicates that vocational and entrepreneurship training programmes often exert a stronger influence on enterprise creation than formal education alone. Training interventions that incorporate experiential learning, mentoring, and post-training support demonstrate higher effectiveness. However, the impact of education and training is frequently moderated by contextual factors such as access to finance, institutional quality, and socio-cultural constraints, particularly in rural settings.

3. Objectives of the Study

The present study is guided by four objectives. First, it seeks to examine the role of formal education in shaping entrepreneurial awareness, mindset, and aspirations among individuals in Vaishali District. Second, it aims to analyse the impact of vocational and entrepreneurship training on entrepreneurial skill development and self-efficacy. Third, it identifies socio-economic, gender-based, and institutional barriers affecting entrepreneurial outcomes at the district level. Finally, the study proposes a context-specific framework for strengthening entrepreneurship through education, training, and ecosystem support.

4. Research Methodology

The study adopts a mixed-methods research design to obtain a comprehensive understanding of how education and training influence entrepreneurial skill development in Vaishali District. A mixed-methods approach is particularly suitable for entrepreneurship research in socio-economically complex regions, as it allows the integration of measurable patterns with contextual explanations that purely quantitative or qualitative approaches may fail to capture independently.

The quantitative component of the study involved the administration of a structured questionnaire to respondents drawn from diverse socio-economic backgrounds. The sample included college students, vocational training participants, members of self-help groups, and individuals engaged in micro and small entrepreneurial activities. The sampling strategy was designed to capture variation across age, gender, educational attainment, and occupational categories. This diversity ensured that the findings reflected the heterogeneous nature of the district's entrepreneurial landscape rather than the experiences of a single group.

The questionnaire captured information related to educational background, exposure to vocational or entrepreneurship training, perceived skill levels, entrepreneurial self-efficacy, and entrepreneurial intentions or activities. Standardised Likert-scale items were used to assess constructs such as confidence in business decision-making, risk-handling ability, and opportunity recognition. Descriptive statistics were employed to summarise respondent characteristics, while inferential analysis was used to examine relationships between education, training, self-efficacy, and entrepreneurial outcomes.

The qualitative component of the study consisted of semi-structured interviews with key stakeholders, including educators, vocational trainers, entrepreneurs, officials associated with skill development programmes, and leaders of community-based organisations. These interviews provided insights into programme design, implementation challenges, and perceived effectiveness of education and training initiatives. Field observations and informal interactions further enriched the qualitative data by capturing contextual nuances such as social norms, institutional constraints, and local market conditions.

Qualitative data were analysed thematically. Interview transcripts and field notes were coded to identify recurring themes related to motivation, barriers, support mechanisms, and ecosystem dynamics. The integration of quantitative and qualitative findings allowed for triangulation, enhancing the validity and robustness of the study's conclusions.

5. Results and Analysis

The findings indicate that formal education plays a meaningful role in shaping entrepreneurial awareness and cognitive preparedness. Respondents with higher levels of education demonstrated better understanding of basic business concepts, regulatory procedures, and market dynamics. Formal education was also associated with improved analytical thinking and problem-solving ability, which are important for entrepreneurial decision-making. However, education alone was insufficient to translate awareness into entrepreneurial action, particularly in the absence of practical exposure and support mechanisms.

Vocational and entrepreneurship training emerged as a stronger determinant of entrepreneurial skill development. Respondents who had participated in training programmes reported higher levels of competence in financial management, marketing, production techniques, and customer interaction. Training programmes that incorporated experiential elements such as field projects, on-the-job learning, and mentoring were associated with greater confidence and readiness to initiate entrepreneurial activity.

Entrepreneurial self-efficacy emerged as a critical mediating variable. Individuals who believed in their ability to manage uncertainty, mobilise resources, and solve operational problems were significantly more likely to express entrepreneurial intentions or to have initiated enterprises. Training played a central role in enhancing self-efficacy by providing hands-on experience, reducing fear of failure, and offering exposure to real-world business challenges.

Gender-based disparities were evident across multiple dimensions. Female respondents faced greater constraints related to mobility, access to finance, and social expectations surrounding economic participation. Despite these constraints, women who participated in group-based initiatives, particularly self-help group programmes, reported improved confidence, decision-making power, and willingness to engage in entrepreneurial activities. These findings suggest that collective platforms can partially offset individual-level barriers faced by women.

Access to finance emerged as a significant constraint affecting both enterprise initiation and sustainability. Many respondents reported difficulties in obtaining formal credit due to lack of collateral, limited financial literacy, or bureaucratic procedures. Even among trained individuals, the absence of accessible finance often prevented the translation of skills into viable enterprises. Respondents also highlighted weak market linkages and lack of mentorship as factors limiting business growth and survival.

Summary of Empirical Findings

Formal education contributes to awareness and cognitive preparedness but has limited direct impact on enterprise initiation. Vocational and entrepreneurship training significantly enhance practical skills and entrepreneurial self-efficacy. Experiential learning and mentoring strengthen confidence and reduce fear of failure. Gender norms and financial constraints disproportionately affect women entrepreneurs. Ecosystem support influences enterprise sustainability and growth potential.

6. Discussion

The findings of the study underscore the complementary but distinct roles of education and training in entrepreneurship development. Formal education provides a foundation by shaping awareness,

aspirations, and analytical capabilities. However, in the absence of practical exposure, education alone rarely results in entrepreneurial action. Vocational and entrepreneurship training bridge this gap by translating knowledge into actionable skills and enhancing self-efficacy.

The results align closely with Human Capital Theory, which emphasises the importance of skill acquisition and experiential learning in enhancing productive capacity. They also support the Theory of Planned Behaviour by highlighting the role of perceived behavioural control, as reflected in entrepreneurial self-efficacy, in shaping entrepreneurial intentions and actions. Training interventions that strengthen confidence and competence directly influence this perception of control.

The district-level focus of the study highlights the importance of contextual alignment. Training programmes that are generic or disconnected from local economic realities are less effective than those tailored to local value chains, market conditions, and resource availability. In Vaishali District, where agriculture, food processing, petty trade, and service activities dominate, training aligned with these sectors demonstrated greater relevance and impact.

Gender-sensitive approaches emerge as a critical requirement for inclusive entrepreneurship development. While education and training can enhance women's skills and confidence, structural barriers related to mobility, finance, and social norms continue to constrain outcomes. Group-based models such as self-help groups appear particularly effective in mitigating some of these barriers by providing social support, shared resources, and collective bargaining power.

The findings also highlight the importance of ecosystem support in sustaining entrepreneurial outcomes. Skills and confidence alone are insufficient in the absence of finance, mentorship, and market access. Weak coordination among educational institutions, training providers, financial institutions, and local authorities limits the effectiveness of entrepreneurship promotion efforts. Strengthening these linkages is therefore essential for translating individual capability into sustainable economic activity.

7. Policy Implications and Recommendations

The findings of this study have several important implications for policy formulation and programme design related to entrepreneurship development in districts such as Vaishali. First, there is a need to reorient education systems to move beyond awareness creation and incorporate structured exposure to entrepreneurial thinking and problem-solving. While formal education contributes to cognitive development and aspiration formation, its impact on entrepreneurial outcomes remains limited unless complemented by experiential components. Integrating project-based learning, case studies drawn from local contexts, and interaction with practicing entrepreneurs within secondary and higher education curricula can strengthen the practical relevance of education.

Second, vocational and entrepreneurship training programmes should be designed as comprehensive capability-building interventions rather than short-term skill courses. Training initiatives need to emphasise experiential learning through internships, field projects, and simulated enterprise activities. Such approaches enhance entrepreneurial self-efficacy by allowing participants to apply skills in real or near-real business environments. Training content should also be aligned with local value chains, including agriculture-based enterprises, food processing, services, and micro-manufacturing, to improve relevance and applicability.

Third, mentorship must be institutionalised as a core component of entrepreneurship promotion. The study indicates that lack of guidance and post-training support significantly constrains enterprise initiation and survival. Establishing district-level mentorship networks involving experienced entrepreneurs,

professionals, and retired experts can provide continuous guidance to aspiring entrepreneurs. Mentorship support should extend beyond the training phase to include early-stage enterprise management and problem resolution.

Fourth, access to finance requires targeted policy intervention. Many trained individuals remain unable to translate skills into enterprises due to limited credit availability, lack of collateral, and procedural complexities. Simplifying credit access through customised microfinance products, credit guarantee schemes, and linkage of training programmes with financial institutions can reduce this barrier. Financial literacy training should also be integrated into entrepreneurship programmes to improve borrowers' confidence and repayment capacity.

Fifth, women-centric entrepreneurship initiatives require strengthened institutional support. Although women benefit from education and training, socio-cultural constraints continue to limit outcomes. Group-based models such as self-help groups have demonstrated effectiveness in enhancing confidence and participation. Policies should therefore prioritise collective entrepreneurship models, market linkage support, and flexible financing options for women entrepreneurs.

Finally, effective entrepreneurship development requires coordinated ecosystem support. Educational institutions, training providers, financial agencies, local government bodies, and community organisations must work in an integrated manner. Establishing district-level entrepreneurship facilitation centres can help coordinate services, provide information, and support enterprise development in a sustained manner.

8. Conclusion

This study examined the role of education and training in developing entrepreneurial skills in Vaishali District, Bihar, within a socio-economically constrained rural context. The findings demonstrate that while formal education plays an important role in shaping entrepreneurial awareness, analytical thinking, and aspirations, it has limited direct impact on enterprise initiation. Vocational and entrepreneurship-focused training, particularly when combined with experiential learning and mentoring, exerts a significantly stronger influence on practical skill development, entrepreneurial self-efficacy, and business initiation.

Entrepreneurial self-efficacy emerged as a critical factor linking training to entrepreneurial action. Individuals who developed confidence in managing risk, mobilising resources, and addressing operational challenges were more likely to engage in entrepreneurial activity. The study also highlighted persistent gender-based constraints, limited access to finance, and weak ecosystem coordination as major barriers affecting entrepreneurial outcomes.

The district-level focus of the research underscores the importance of contextualised entrepreneurship development strategies. Generic education and training interventions are unlikely to yield sustainable results unless aligned with local economic conditions and supported by a robust entrepreneurial ecosystem. An integrated approach combining education, training, mentorship, financial inclusion, and institutional coordination is essential for translating human potential into sustainable enterprises.

By providing district-specific empirical evidence, this study contributes to entrepreneurship education literature and offers practical guidance for policymakers and practitioners working in similar regional contexts. Strengthening entrepreneurship through education and training at the district level can play a meaningful role in promoting inclusive economic development and reducing livelihood vulnerability in states such as Bihar.

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