

Managerial Skills for Entrepreneurship Development

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Abstract: “As Artificial Intelligence (AI) is wholly prepared to bring about a radical change in the business environment, there will be a separation between businesses and consumers on how quickly and keenly one should adopt and merge the new applications and workflows emerging from it. In the early phases particularly, businesses will need to identify the required data, direct training processes and refine outputs. Since physical or manual jobs are bound to get automated, businesses and society will need to reconsider skill areas and move away from procedural tasks to higher involvement strategic ones as well as zeroing in on innovation, adaptability and an outcome-oriented mindset. Most specially, government authorities and business leaders should prioritize areas where AI can bring about visible, extensive and quick positive effects. This would have them decide on whether they should reduce costs or create alternative operating models and business built around new experiences and modes of interactions with humans and/or invest in reinforcing existing processes and workflows to increase efficiency.”.

Keywords: Artificial Intelligence / AI, Entrepreneur, Start-up, Intelligence, India

I. INTRODUCTION

Now that the Fourth Industrial Revolution is upon us, the technological progress in the spaces of Artificial Intelligence (AI) are altering economic growth and entrepreneurship significantly. It has been recently found to have high levels of concern regarding how AI influences the productivity of economic growth and entrepreneurship. In recent times individuals, the government and Indian businesses have already begun to see and witness multiple cases of AI being brought into play in various aspects of life. Biometric recognition, digital assistants, targeted advertisements and online recommendation engines are among the more familiar AI applications used now a days. Corporations have started to be aware of the growth opportunities and efficiency that comes with chatbots for customer services, machine learning for predictive maintenance in manufacturing, automation of back-end processes etc. Government bodies seem to have secured the services of AI-powered applications such as robotics, machine leaning, image and speech recognition and more to strengthen defence techniques and equipment. In this era AI is probably one of the most paramount general-purpose technologies and now with machine learning, we can construct systems that are capable of building on their own performance over time by learning from the data gathered.

1.1 OBJECTIVE OF THE RESEARCH

1. The purpose of this study is to identify how adopting artificial intelligence (AI) could impact entrepreneurship for the enterprises of India.
2. The study also reviews the relevance of AI in Indian industries at present and how it suggests a way forward for this country.

1.2 SCOPE OF THE STUDY

- Types of AI
- The state of the Indian economy for the rise of automation
- India’s growing population and lack of jobs
- The need for entrepreneurship and start-ups in the country
- Skills needed by entrepreneurs in AI sectors

1.3 HYPOTHESIS

- After conducting the entire study a few predictions were made.
- India has the human resource for succeeding in the AI sector but needs to work on utilizing and training the workforce efficiently
- The number of Indian start-ups has come up significantly but a majority of them die out in the initial stages.
- The AI industry is very lucrative to this country despite its large population.

II. RESEARCH METHODOLOGY

This research was mostly based on secondary data.

Research papers / Articles

“Artificial Intelligence in India – Hype or Reality” by PwC

“Implications of AI on the Indian Economy” by Rajat Kathuria, Mansi Kedia and Sashank Kapilavai

Figures obtained by the Ministry of Corporate Affairs resulted into estimating the chart.

III. INTRODUCTION TO ARTIFICIAL INTELLIGENCE (AI)

DEFINITION OF AI

The theory and development of computer systems able to perform tasks normally requiring human intelligence, such as visual perception, speech recognition, decision-making, and translation between languages.

The scientific understanding of the mechanisms underlying thought and intelligent behavior and their embodiment in machines. - The Association for Advancement of Artificial Intelligence (AAAI)

Thinking humanly, acting humanly, thinking rationally and acting rationally. - ‘Artificial Intelligence: A Modern Approach’ written by Russell and Norvig

These extensive definitions of AI emphasize its progressive aims on its own and as a field. Since the nineties, AI has made long strides. It includes a vast range of subfields extending from diagnosing medical diseases to proving mathematical theorems to playing chess, all of which are essential to humanity and human intelligence. However, its aim is not just to understand human intelligence but to build it. The last couple of years have witnessed an explosion in AI activity for the most part in the area of digital assistants, self-driving cars, chat bots etc.

TYPES OF AI

Weak AI -

Weak or narrow artificial intelligence is basically what more or less surrounds us today. They carry out specific tasks that they are programmed to do. Called weak only in comparison, some applications these include are Apple’s Siri, Microsoft’s Cortana, and Amazon’s Alexa. It also includes self-driving vehicles.

Strong AI -

Strong artificial intelligence is basically composed of the AGI and ASI. Now, AGI (Artificial General Intelligence) is a theoretical type of AI where the intelligence of the machine is almost equal to that of humans. Hence it would have consciousness and the ability to learn and evolve with time. The ASI (Artificial Super Intelligence) is again a theoretical type, which would be superior to human ability and intelligence.

IV. ARTIFICIAL INTELLIGENCE IN INDIA

Covid-19 has inadvertently fast-tracked India’s efforts with innovation. As artificially intelligent technologies take hold over a considerable number of tasks, India will face novel impacts of automation in respect with other countries. AI, as one of the major emerging technologies, has required us to re-imagine our businesses and make them flexible, receptive and easier for the users. As the world battles the pandemic, the requisite now is to put the focus primarily on AI and the way in which it will redefine the reality of the world post-Covid.

Since India features a large and young population, advances in AI will certainly affect the country in aspects from jobs to quality of life. Though India is one of the large economies growing at a rapid speed, higher growth does not seem to be converting into more jobs. Which does not mean it’s not possible to emerge victorious in this race for automation.

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There are measures that the country is yet to take as the Indian economy does not seem quite equipped to meet the challenges that enter the picture as different working environments firmly automate

V. EMPLOYMENT AND ENTRENEURSHIP IN INDIA

In this soon to be 5th largest economy imagining the future of work cannot be complete without considering its future in the Artificial Intelligence sector. The country with a population of 1.3 billion is already in a predicament of employing its vast and growing workforce. In February 2018, our railroads had 63,000 job openings, for which 19 million people applied. An Ernst & Young study states that there are 17 million new entrants into the Indian workforce year after year, but only 5.5 million jobs are created.

According to the State of Working in India 2018 report, a 10% increase in GDP now results in less than a 1% increase in employment which leads to counterintuitive higher unemployment in a fast-growing economy. The report also highlights the issue of income disparity i.e., as labour productivity in organized manufacturing increased six-fold over the past three decades, wages increased just 50% over that period.

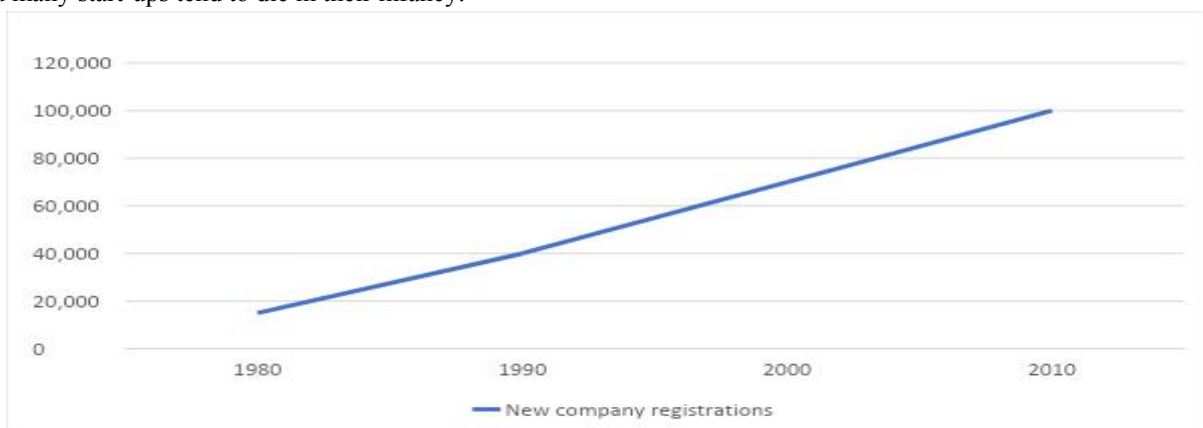
Services may not be able to recompense for the job losses caused by automation in manufacturing, since major service industries like information technology and banking, which are the leading employers, face the threat of job losses.

There is a niche being carved out for India in the global AI ecosystem all due to the keenness of private and public sectors in AI and the nature of AI-based applications being developed, mainly that focus on development issues. Thus, there is a perceivable momentum in the Indian economy, both from the private sector as well as from the government to further advance a flourishing AI-based ecosystem in the country, founded on the known potential of AI to trigger social welfare and economic growth.

According to a report in 2019, the total number of tech start-ups in India has grown to 8,900-9,300, with 1,300 start-ups being added in that year alone. As the Indian technology start-up environment grows to become the fourth largest in the world, it may be time to bring policy makers, academia and industry together to put together a well thought out plan and boost innovations that can solve problems of the real world.

According to the report from NASSCOM (National Association of Software and Service Companies), Data and Artificial Intelligence (AI) could potentially add \$450-500 billion to India's gross domestic product (GDP) by 2025 and drive India's economic growth.

Start-ups are evidently reforming the Indian economy. With an open commercial culture and its favourable demography, new company registrations have grown from 15,000 to almost 100,000 from the 1980s to the 2010s. India's entrepreneurs are included among the youngest in the world with an average age of 28. Hence, India seems highly favourable for entrepreneurial activity, however, India's start-up economy has not reached full maturity, and many start-ups tend to die in their infancy.



According to a survey conducted by IBM Institute for Business Value, in collaboration with Oxford Economics, almost 1,300 Indian executives were surveyed, which included around 600 start-up entrepreneurs, 500 leaders of established companies, 100 venture capitalists, 100 government leaders, and 22 educational institution leaders. The results tell us that start-ups can exploit a variety of attributes and favourable opportunities unique to India.

Approximately 76% of Indian executives pointed to India's economic openness as a vital business advantage, while 60% identified India's skilled workforce, and 57% said that India's huge domestic market provides substantial advantages.

In spite of all this, up to 90% of India's start-ups fail within the initial five years.

Nearly 70% of venture capitalists say that this happens due to their inability to obtain employees with the right skills and 77% of them report that many Indian start-ups lack revolutionary innovation based on unique business models or new technologies.

It's evident across industries that start-up companies threaten to disturb traditional and established businesses but in doing so they can act as catalysts for innovation and participation throughout India's business ecosystems. Engaging in mentoring relationships with established companies can aid mutual success and drive India towards an even more dynamic future.

VI. SKILLS FOR ENTREPRENEURS IN THE AI FIELD

UNLEARNING –In the AI era, business operations and technology will change and keep changing and evolving in the blink of an eye. This suggests that some amount of information gathered over time will quickly become unnecessary and new trends and methods will have to be adopted in order for the business to stand the test of time. Hence entrepreneurs absolutely cannot hold on to old methods and ideas. Keeping up with the times has become essential now more than ever. One needs to have an open attitude to unlearn and seek knowledge in new areas.

HAVING A FLEXIBLE PLAN –Drafting a long-term plan for one's company is extremely important but with the AI in the picture, it must be flexible and open to changes. Adapting and changing should be at the forefront no matter what plan is created. One should be prepared to make critical decisions and keep up with the change

SOFT SKILLS –With the surge of advanced technologies, soft skills such as foresight, communication, empathy, and creativity are extremely important. Managers will have to train their teams to deal with huge amounts of data and have strategic thinking. Being able to resolve conflicts and motivate the staff to work better will be an essential skill.

CULTURAL AWARENESS –Since the internet has brought everyone close across cultural boundaries, it has become increasingly essential to be aware of different cultural backgrounds. As workplaces become more and more diverse it is very important to be able to relate to different cultural contexts.

ACCOUNTABILITY -Accountability means to own up to what is done. As data becomes readily available in big organizations and organizational structures become more transparent, managers and leaders should be confident and sure enough to defend their actions or hold themselves accountable for it.

ETHICAL JUDGEMENT-Ethical judgment being exclusive to humans (at least for now) is needed by managers and leaders to align themselves with the principles, goals, and ethics of the organization. While AI can help formulate strategies, it cannot know or deal with its consequences.

VII. CONCLUSION

India has been an IT powerhouse and hence is already a favorable environment for AI to flourish here. The importance given to the technology growth in the last two Union Budgets is noted well in the IT community. The government already seems to be taking committed steps in establishing a pro-digital infrastructure in India.

The latest attempts made by the government in establishing the country in the global AI platform are commendable. It did so through the recent virtual global AI summit 'Responsible AI for Social Empowerment (RAISE 2020)', in which large companies align with government bodies such as NITI Aayog to promote new business segments stemming out of developments in AI and new skilling opportunities for the masses. The Indian start-up sector has been seeing enormous upscaling and remarkable collaborations with global tech giants. Today, Indian entrepreneurs have better knowledge of business models and are well versed regarding the technologies that are in action. Hence, the AI field is incredibly lucrative for entrepreneurship opportunities. Nowadays Indian start-ups are applying AI to create solutions for industries like BFSI, healthcare, manufacturing, retail, and fisheries, marine resources, water management, agriculture, alternative medicines, safety, and empowerment of women, which were unexplored earlier.

In the past decade, digital transformation was already altering the way organizations conduct business. With the recent pandemic, the process got propelled further and is gradually becoming a foundational aspect in how an organization delivers value to its customers. AI has and will act as the game-changer.

VIII. SUGGESTIONS / RECOMMENDATIONS

In a country like India with more than half of its population being under the age of 25, an appropriate step to be taken would be to prepare the young workforce in the areas of machine learning, automation, and artificial intelligence interfaces. It is to everyone's benefit to familiarize them with the tech-enabled future of work.

Including AI and automation in the existing education curriculum, online training initiatives, and corporate training initiatives for new hires can attain this effectively without the risk of a drastic structural change. Encouraging employment in areas that are least subject to automation and promoting entrepreneurship among the youth is also essential. An increase in entrepreneurship courses in universities is essential in creating or giving rise to a start-up culture in India. The government can assist these domestic start-ups, in boosting entrepreneurship culture, by obtaining goods and services from them. Since the more likely future of work in India seems to be several small enterprises instead of enormous factories.

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