

Learning entrepreneurship: Starting a business is a matter of adequate training

May 13 2015



Entrepreneurship as vocation? As a talent, which reveals itself early on and is the requirement for a successful start-up? This is the prevailing - yet wrong - view. Entrepreneurship is an acquired skill. The capacity to think and act in entrepreneurial terms is present in many people - unbeknown to most of them. Action-oriented entrepreneurship training sessions can unlock dormant potential and awaken entrepreneurial spirit. This is the findings of a research team, comprised of scholars from Leuphana University of Lüneburg, the University of Singapore, as well

as various universities in Uganda and Tanzania under the leadership of Michael Gielnik, Professor for Human Resources and Personnel Development in Lüneburg.

For their recently published study, academics carried out a survey among around 350 Ugandan students from different professional disciplines about their attitudes on starting up a business and entrepreneurship. Half of them had previously taken part in a hands-on entrepreneurship [training](#), which encouraged them from the outset to engage in their own entrepreneurial endeavors. The rest of the people asked constituted a control group. The interviews were conducted immediately before and after the program, as well as with a temporal distance of twelve months after completion of the training. "Our data clearly reveals the effectiveness of the training," explains Gielnik. The short-term effects, which were observed in the training participants, were a greater confidence in their own entrepreneurial skills as well as greater readiness to start a business as compared to those of the [control group](#). After twelve months, the participants of the course showed a significantly higher rate of readiness to start a business than their peers who had not undergone the training."

The Entrepreneurship Training Program, which provided the substance on which the study is based, owes its conception to Lüneburg scholars, who designed it especially for [developing countries](#). Under the name of STEP, the abbreviation of "Student Training for Entrepreneurial Promotion", twelve-weeks' training sessions are held at universities in various African and Asian countries. The primary aim of the training is to make participants aware of their own potential and to give them the possibilities to demonstrate their own entrepreneurial activities. The German Academic Exchange Service (DAAD) and the German UNESCO Commission are subsidizing the training sessions.

The training combines practice exercises with theory-based content. The

core and concept of the program are action-focused. Young adults are expected to learn entrepreneurial behavior by engaging in it themselves. The participants receive US\$100 in seed capital. This money is meant to be used for the creation of their own small enterprise and to build it up as the course progresses - for example a stall selling freshly squeezed juice at their own university. Doing so, they acquire early practice and can learn from their own mistakes. Theoretical knowledge is taught in the form of "action principles": use your own unique strengths! Analyze the market and client behavior! Take interest in your customers! These catch phrases have been developed on the basis of business management methods and theories and equip the participants with the instruments necessary to lead an enterprise.

For developing countries, the results of the study are of particular importance. Permanent positions are in short supply due to the difficult economic situation in many of these countries. Especially teenagers and young adults, who find it difficult to enter the labor market, suffer from this situation. In Uganda, for example, 60 percent of young people are unemployed. The promotion of business creation can, therefore, be an effective means of combatting poverty and bolstering economic development. However, the results obtained can also be applied to industrial countries, such as Germany. "We know from past research that action-oriented entrepreneurship training sessions also meet positive responses in economically stronger countries", explains Gielnik. "However, the effects often make themselves felt later than in developing countries. Because of the high level of regulation, starting up a business in Europe or in the USA is a far more complicated and long-winded process than in developing countries".

More information: Gielnik, M. , Frese, M., Kahara-Kawuki, A., Katono, I. W., Kyejjusa, S., Ngoma, M. , ... Dlugosch, T. (2015). Action and action-regulation in entrepreneurship: Evaluating a student training for promoting entrepreneurship. Academy of Management Learning &

Education, 14 (1), 69-94; [DOI: 10.5465/amle.2012.0107](https://doi.org/10.5465/amle.2012.0107)

Provided by Leuphana Universität Lüneburg

Citation: Learning entrepreneurship: Starting a business is a matter of adequate training (2015, May 13) retrieved 19 September 2024 from <https://phys.org/news/2015-05-entrepreneurship-business-adequate.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.