BUILDING THE ENTREPRENEURIAL MINDSET

Michael M. Gielnik
STEP

STUDENT TRAINING FOR ENTREPRENEURIAL PROMOTION
- 12-week training course
- Modules from business administration, entrepreneurship, and psychology
- Theoretical basis: action regulation theory (Frese & Zapf, 1994)
- Action-based entrepreneurship training
  - Action principles
  - Action learning
Entrepreneurship training

Gielnik et al., 2015
Entrepreneurship training

Entrepreneurship / Michael M. Gielnik

Gielnik et al., 2015
Impact of STEP on business creation

Gielnik et al., 2015

Business Owner

<table>
<thead>
<tr>
<th></th>
<th>Before STEP</th>
<th>1 Year After</th>
<th>1.5 Years After</th>
</tr>
</thead>
<tbody>
<tr>
<td>STEP</td>
<td>16%</td>
<td>51%</td>
<td>63%</td>
</tr>
<tr>
<td>Control Group</td>
<td>24%</td>
<td>35%</td>
<td>48%</td>
</tr>
</tbody>
</table>

Gielenk et al., 2015
“I was very shy and it was a big challenge for me approaching people. I thought I won’t be able to deal with all those challenges you are facing when you are an entrepreneur.”

“The training opened my eyes, it was a turning point in my life. I don’t think any longer that entrepreneurship is a challenge that I cannot overcome”

“I am not shy anymore, I go to people, I talk to people. I know how to use the people around me. And I have no problems approaching those people.”

24 months after the training, Janet has started an information technology consultancy that developed computer software and designed webpages for companies.
Study I: Action-regulatory pathways to business start-up
(Gielnik et al., 2015, AMLE)

- Randomized control group design: 197 students in training group and 198 students in control group
- Training and control group equivalent before the training
Study I: Action-regulatory pathways to business start-up
(Gielnik et al., 2015, AMLE)

- Action Knowledge
- Entrepreneurial Self-Efficacy
- Entrepreneurial Goal Intentions
- Action Planning
- Entrepreneurial Action
- Business Owner
- Business Opportunity Identification
- Action-Oriented Entrepreneurship Training
Impact of STEP on business creation
(Frese, Gielnik, & Mensmann, 2016)

Table 2. Overview of the Student Training for Entrepreneurial Promotion (STEP) Interventions That Have Been Implemented and Evaluated in Developing Countries

<table>
<thead>
<tr>
<th>Year</th>
<th>Country</th>
<th>Institution</th>
<th>Number of training participants</th>
<th>Increase in number of startups compared to control group (1 year after intervention)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>Uganda</td>
<td>University</td>
<td>208</td>
<td>50.1%</td>
</tr>
<tr>
<td>2011</td>
<td>Liberia</td>
<td>University</td>
<td>171</td>
<td>29.1%</td>
</tr>
<tr>
<td>2011</td>
<td>Uganda</td>
<td>University</td>
<td>62</td>
<td>NA</td>
</tr>
<tr>
<td>2012</td>
<td>Uganda</td>
<td>University</td>
<td>209</td>
<td>44.9%</td>
</tr>
<tr>
<td>2012</td>
<td>Liberia</td>
<td>University</td>
<td>92</td>
<td>NA</td>
</tr>
<tr>
<td>2012</td>
<td>Kenya</td>
<td>University</td>
<td>216</td>
<td>29.6%</td>
</tr>
<tr>
<td>2013</td>
<td>Uganda</td>
<td>Vocational school</td>
<td>122</td>
<td>NA</td>
</tr>
<tr>
<td>2013</td>
<td>Tanzania</td>
<td>University</td>
<td>220</td>
<td>109.7%</td>
</tr>
<tr>
<td>2013</td>
<td>Rwanda</td>
<td>University</td>
<td>206</td>
<td>300.9%</td>
</tr>
<tr>
<td>2013</td>
<td>Uganda</td>
<td>University</td>
<td>202</td>
<td>23.2%</td>
</tr>
<tr>
<td>2013</td>
<td>Kenya</td>
<td>University</td>
<td>208</td>
<td>12.3%</td>
</tr>
<tr>
<td>2014</td>
<td>Tanzania</td>
<td>University</td>
<td>224</td>
<td>29.9%</td>
</tr>
<tr>
<td>2014</td>
<td>Uganda</td>
<td>University</td>
<td>180</td>
<td>(in progress)</td>
</tr>
<tr>
<td>2014</td>
<td>Kenya</td>
<td>University</td>
<td>188</td>
<td>(in progress)</td>
</tr>
<tr>
<td>2015</td>
<td>Rwanda</td>
<td>University</td>
<td>216</td>
<td>(in progress)</td>
</tr>
<tr>
<td>Total/Average</td>
<td></td>
<td></td>
<td>2,724</td>
<td>70.0%</td>
</tr>
</tbody>
</table>
Entrepreneurship training: Long-term effects on business creation

— Meta-analysis based on 10,657 observations
— Increase in number of business owners by 21%

Post (2016)
Entrepreneurship training: Long-term effects on job creation

— Meta-analysis based on 10,657 observations
— Increase in number of employees by 35%

Post (2016)
Impact of STEP on entrepreneurship and students’ entrepreneurial mindset

— Theoretical and practical implications
— Comprehensive set of action-regulatory factors explains why entrepreneurship training has an effect
— Long-term effects on business creation and job creation
Acknowledgements

— Co-authors from Uganda, who contributed to developing the training
— German Academic Exchange Service (DAAD)
— German Commission for UNESCO
— BASF Foundation
— Michael Frese, Kim Marie Bischoff, and colleagues and students, who contributed to conducting the evaluation studies
Back-up
Study I: Action-regulatory pathways to business start-up
(Gielnik et al., 2015, AMLE)
Study I: Action-regulatory pathways to business start-up
(Gielen et al., 2015, AMLE)
Study I: Action-regulatory pathways to business start-up
(Gielnik et al., 2015, AMLE)

Action knowledge (Kraiger et al., 1993)
   Scenario: 3D-printer
   “What would be your next steps if you decided the idea might be worth pursuing?”
   Rating: 35 start-up activities (Reynolds, 2007)
   ICC: T1 and T2 = .88

Entrepreneurial self-efficacy (Bandura, 1989)
   “How confident are you that you can […]?”
   12 items (Cronbach’ Alpha: T1 and T2 > .93)
Study I: Action-regulatory pathways to business start-up (Gielnik et al., 2015, AMLE)

Entrepreneurial goal intentions (Ajzen, 1991)

“Within the next six months, do you intend to […]?”
5 items (Cronbach’ Alpha: T1 and T2 > .77)

Entrepreneurial planning (Frese et al., 2007)

“Tell us more about your intention to start a business. What are you planning to do, what are your next steps?”
Rating: 35 start-up activities (Reynolds, 2007)
ICC: T1 and T2 > .87
Study I: Action-regulatory pathways to business start-up
(Gielnik et al., 2015, AMLE)

Entrepreneurial action (Frese et al., 2007)

“Tell us more about your intention to start a business. So far, what did you do to get the business up and running?”

Rating: 35 start-up activities (Reynolds, 2007)

ICC: T1, T2, and T3 > .90

Business opportunity identification (Ucbasaran et al., 2008)

“How many opportunities have you identified in the last 3 months?”

3 items (Cronbach’ Alpha: T1 and T2 > .67)