



**LEUPHANA**  
UNIVERSITÄT LÜNEBURG



## **CREATING AN ENTREPRENEURIAL MINDSET OF PERSONAL INITIATIVE**

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# Agenda

1 Overview – Personal initiative training concept

2 Self-experience – Personal initiative training exercise

3 Discussion – Personal initiative training reflection



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1

Overview – Personal initiative training concept

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Self-experience – Personal initiative training exercise

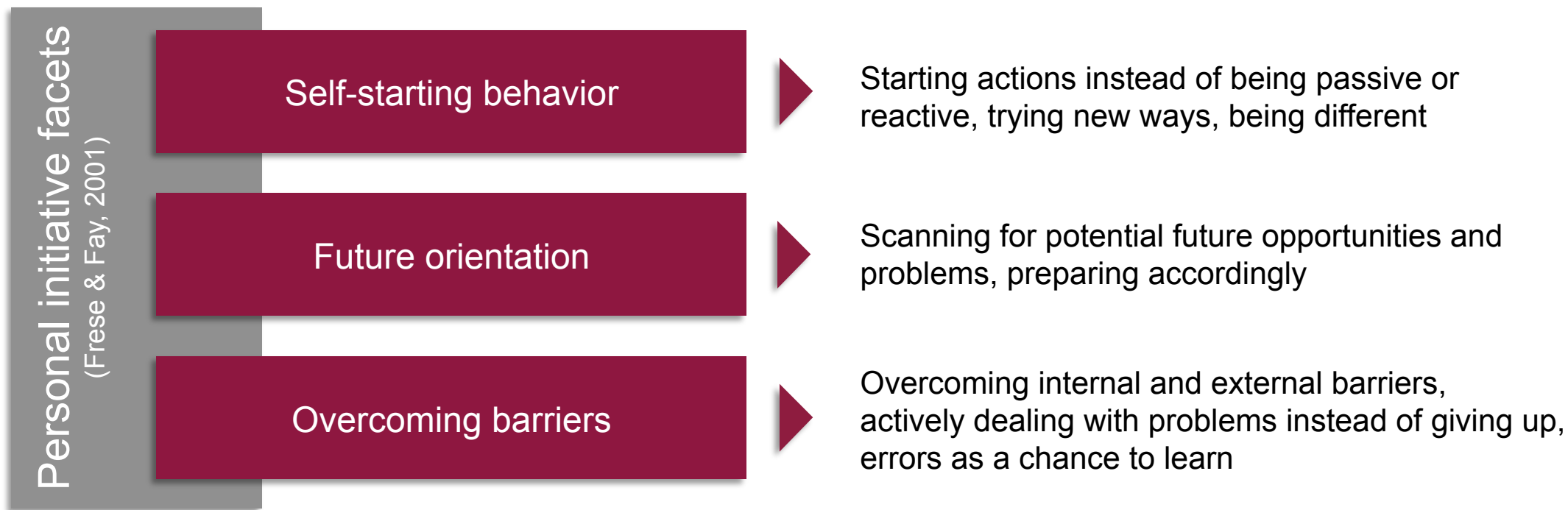
3

Discussion – Personal initiative training reflection



## Personal initiative is critical for entrepreneurial success

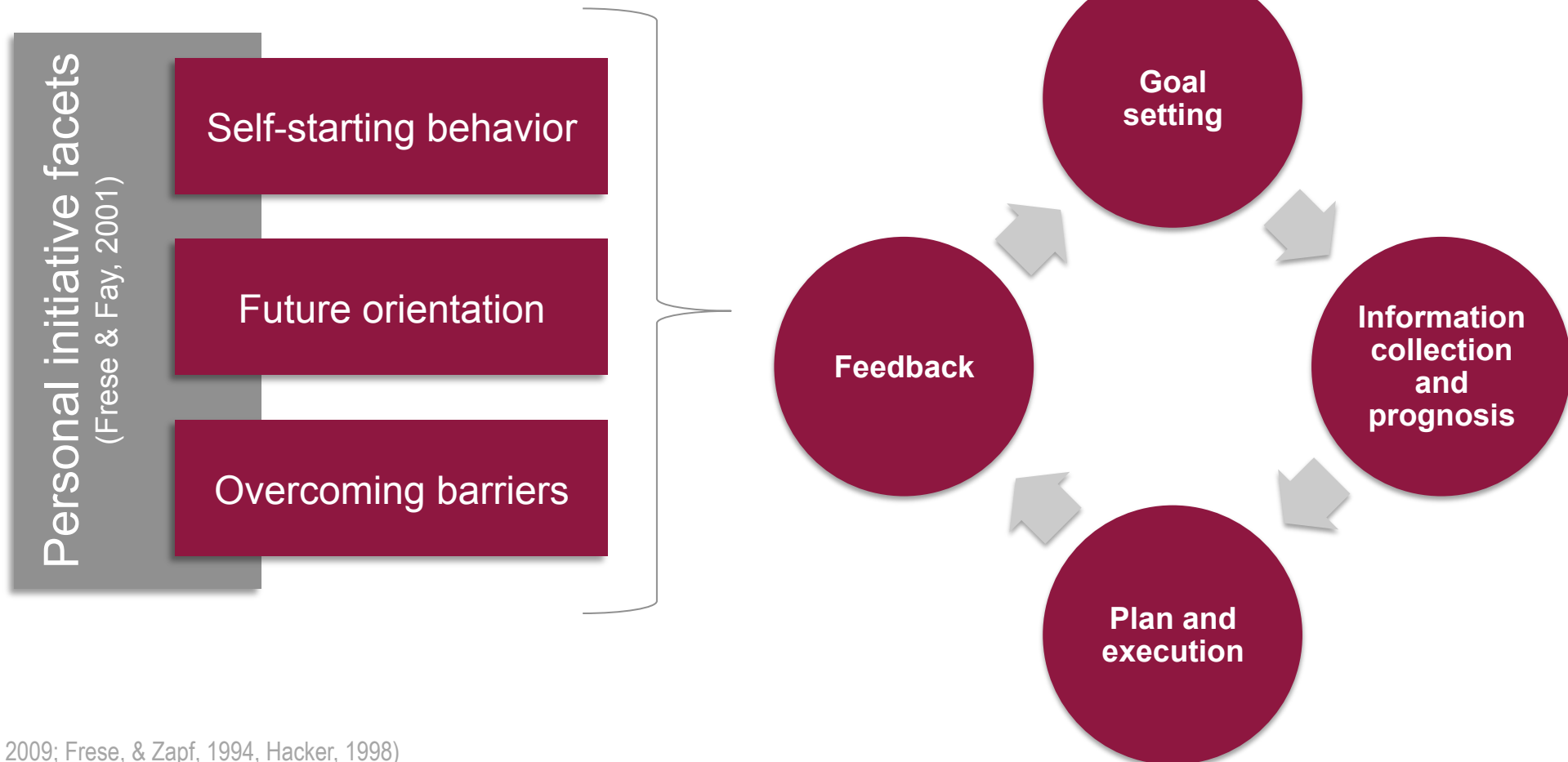
- = Proactive behavior in the work context





# Personal initiative training develops a psychological mindset of personal initiative

## Action regulation theory: Action process



(Frese, 2009; Frese, & Zapf, 1994, Hacker, 1998)



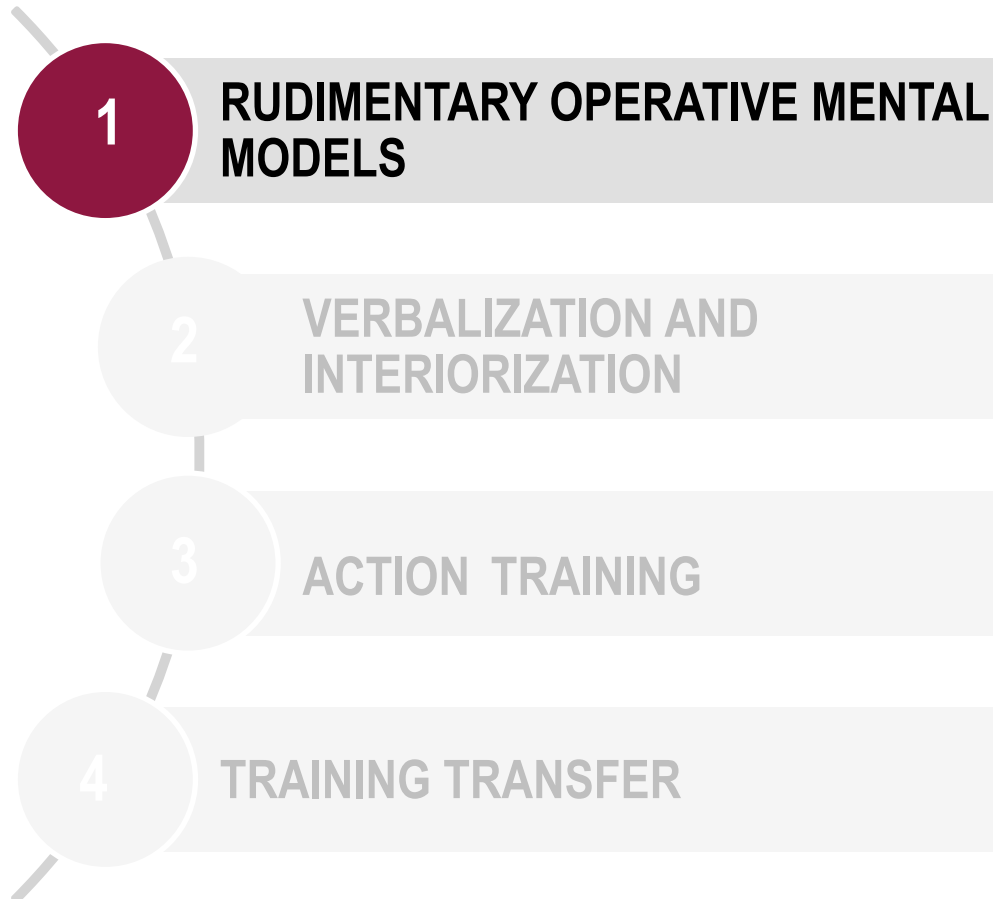
## The training content results from crossing personal initiative theory and action regulation theory

	Self-starting	Future-oriented	Persistent
Goal setting			
Information collection	<i>Look for at least two sources of information that are rare and hard to find!</i>		
Plan and execution			<i>Don't let negative emotions like frustration stop you from following your plan!</i>
Feedback		<i>Ask customers, competitors, and suppliers what they see as biggest challenges and opportunities for your business in the future!</i>	

(Mensmann & Frese, 2017)



## Personal initiative training: Steps

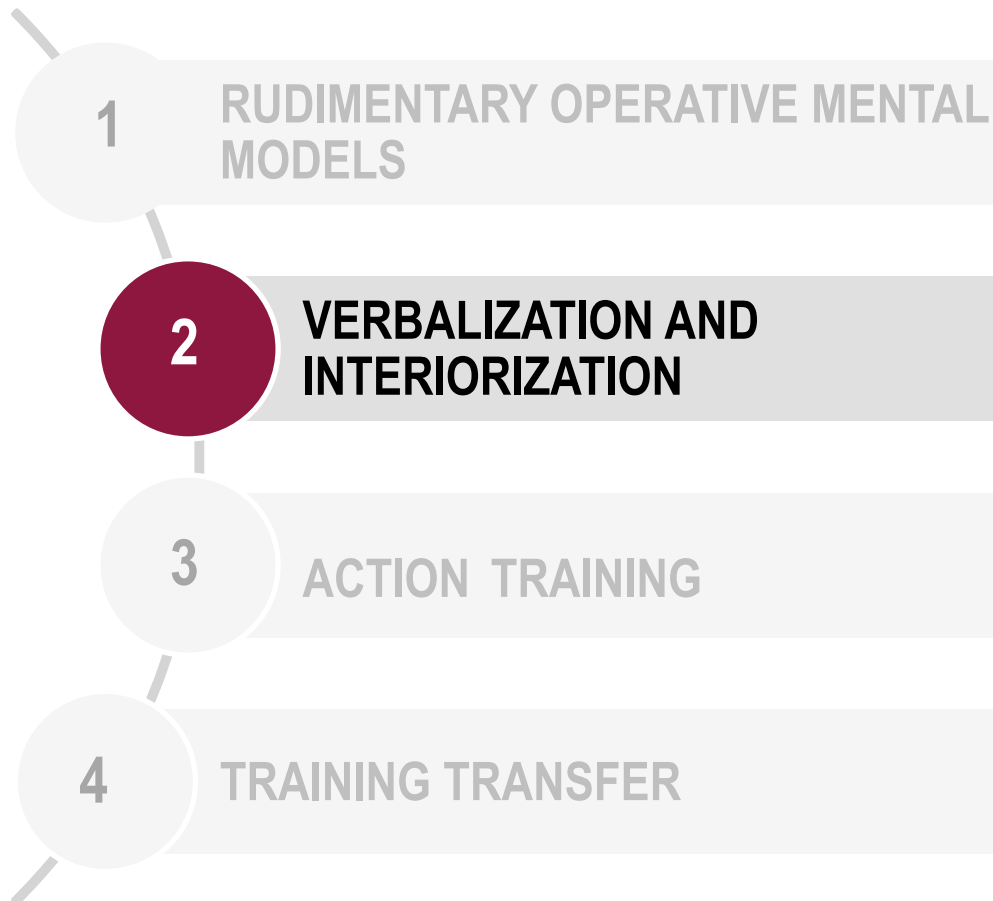


- Action principles from scientific evidence
- Examples and cases from the participants' environment to illustrate importance of action principles
- Rudimentary understanding of personal initiative

(Mensmann & Frese, 2017)



## Personal initiative training: Steps



- Verbalization of personal initiative action principles
- Development of personal initiative action schemes

(Mensmann & Frese, 2017)





## Personal initiative training: Steps

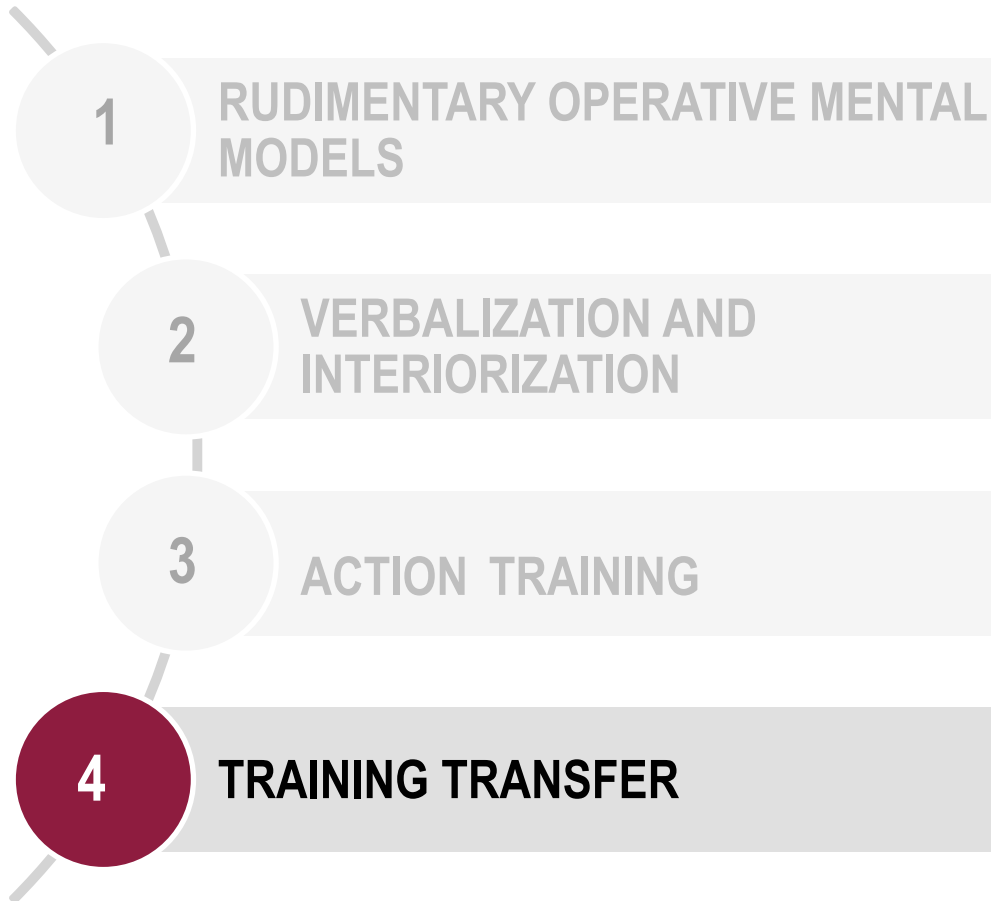


- First actions within the training
  - Transfer of learnings
  - Trainer and participant feedback
  - Error learning
- Routinization of personal initiative

(Mensmann & Frese, 2017)



## Personal initiative training: Steps

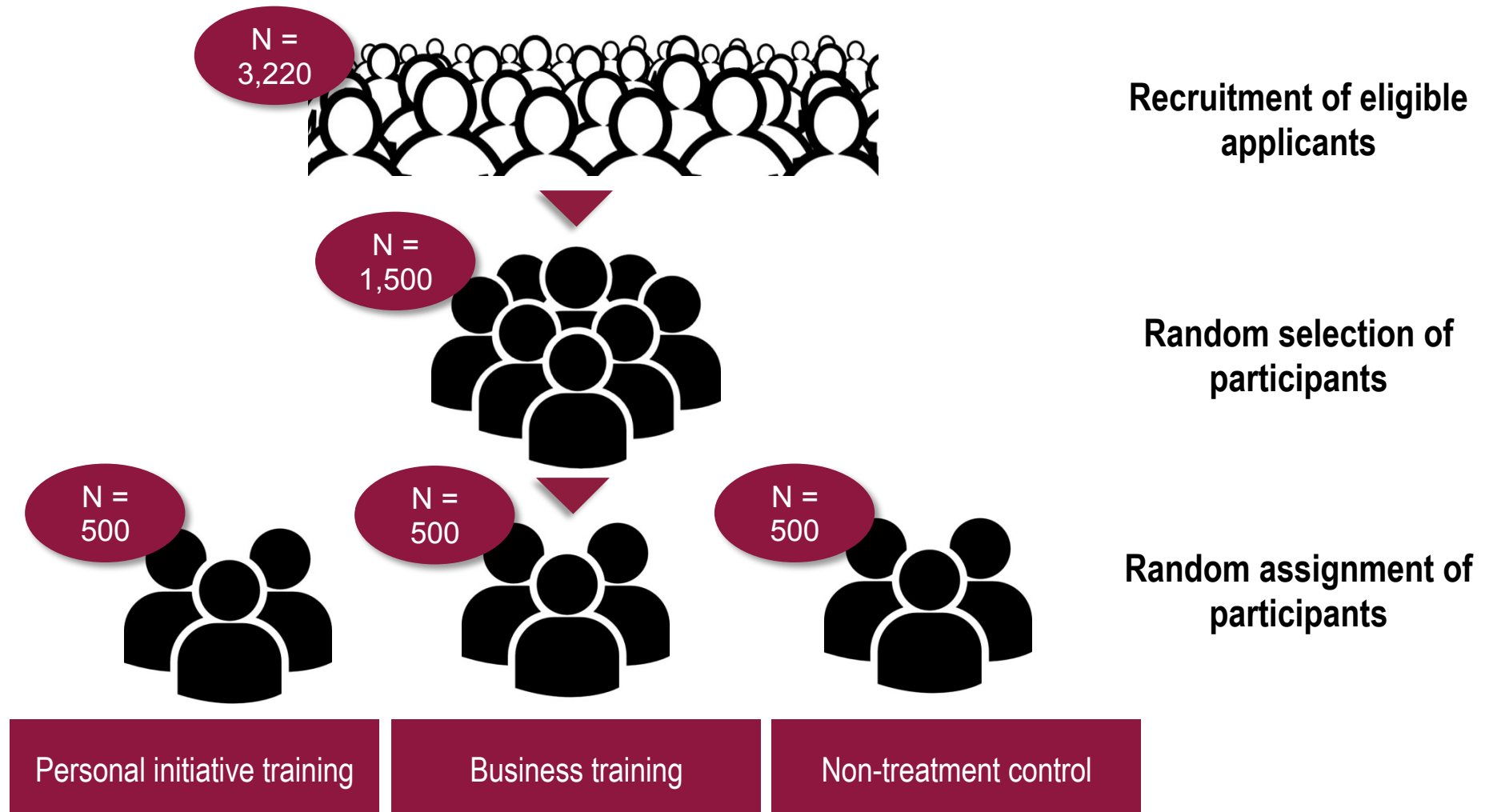


- Transfer of personal initiative to real life: Personal project
- Mainly self-correction and self-feedback
- Flexibilization of personal initiative

(Mensmann & Frese, 2017)

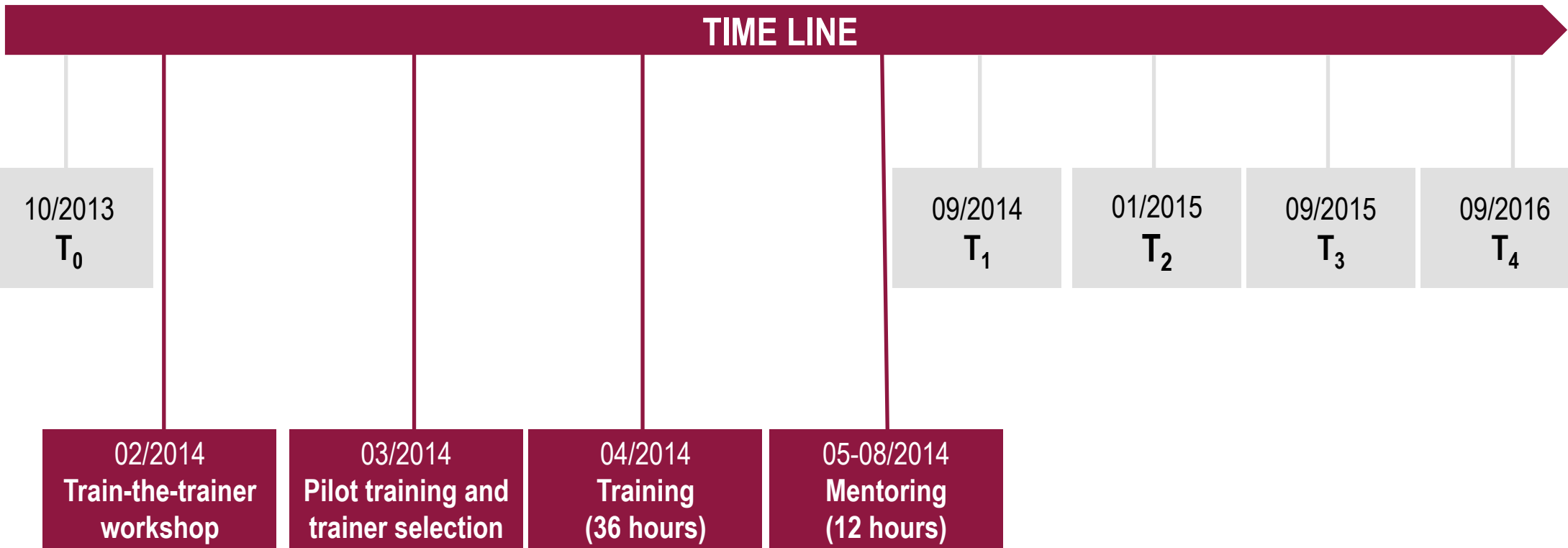


# Testing the training against classical business training - A randomized controlled field experiment in Lomé, Togo





## The timeframe of the project amounts to three years





## Personal initiative training increases profits by 30% and sales by 17% (no effects on survival)

	Business survival	Monthly sales	Monthly profits	Weekly profits	Profits and sales index
Traditional business training	-0.005 (0.008)	38,077 (57,812)	10,746 (6802)	3086 (2050)	0.029 (0.030)
Personal initiative training	-0.003 (0.008)	114,733* (58,619)	28,709*** (7110)	6685*** (1979)	0.100*** (0.031)
Number of observations	5792	5642	5642	5633	5643
Number of firms	1499	1492	1492	1492	1492
<i>P</i> value from test of equality of treatments	0.813	0.171	0.014	0.091	0.025
Control group mean	0.960	680,807	96,089	30,417	0.000

The training works equally well for men and women!



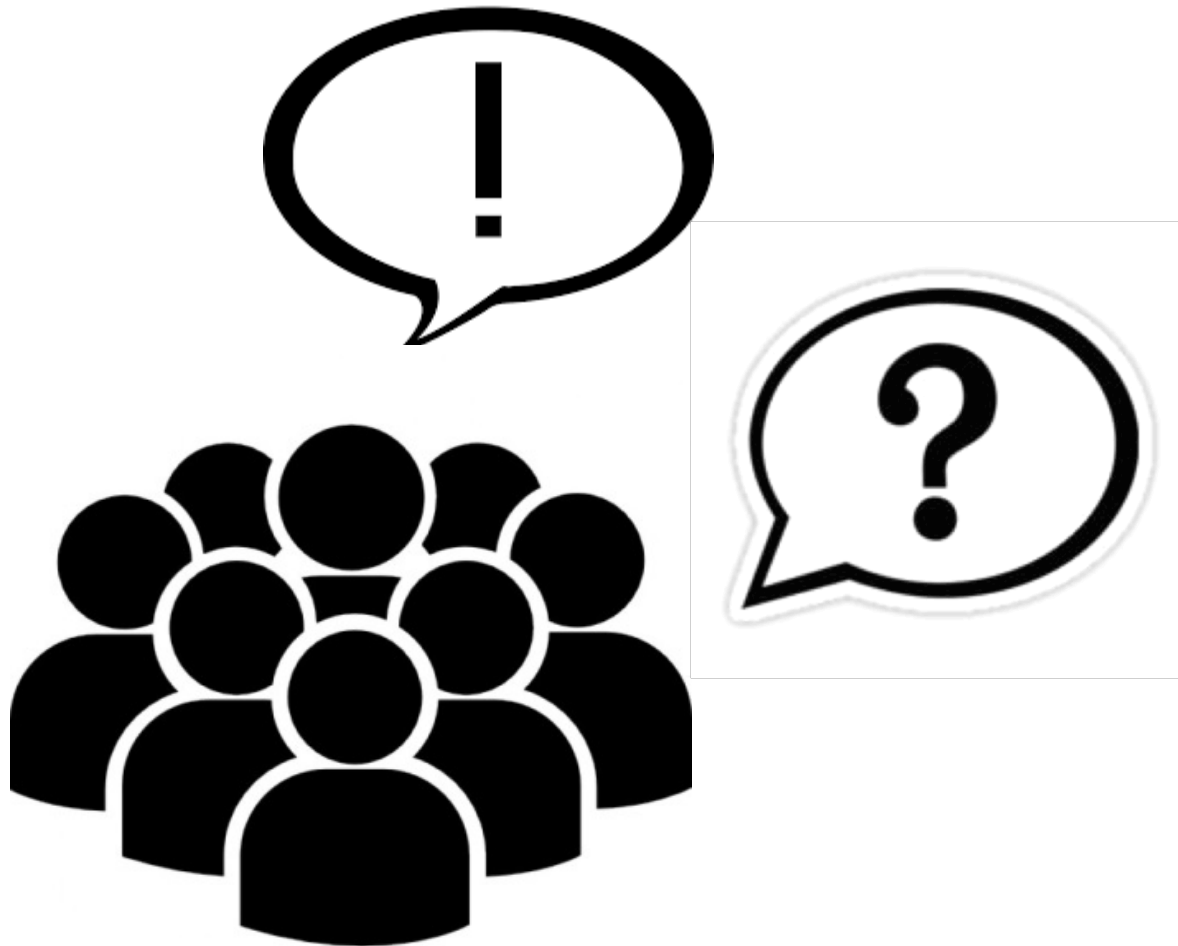
## Personal initiative training works through several channels

	Business practices	Personal initiative	Capital and labor inputs	Innovation index	Diversified product line	Access to finance index
Traditional business training	0.060*** (0.008)	0.065*** (0.015)	0.032* (0.020)	0.117*** (0.050)	0.044** (0.018)	0.070** (0.033)
Personal initiative training	0.054*** (0.007)	0.124*** (0.015)	0.078*** (0.020)	0.309*** (0.070)	0.092*** (0.018)	0.147*** (0.040)
Number of observations	5646	5538	5655	5639	5632	4207
Number of firms	1492	1484	1492	1492	1492	1473
P value from test of equality of treatments	0.458	0.000	0.024	0.011	0.010	0.043
Control group mean	0.618	4.32	0.000	0.000	0.335	0.000

**Both trainings increase good business practices, but personal initiative training has significantly stronger effects!**



**Time for comments and questions on the training approach!**





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## Action principles: Being self-starting

### Self-starting

**Start an action yourself!**

**Change unfavorable circumstances!**

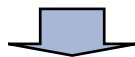
**Act first - Be ahead of others!**

**Try new ways!**

- *Actively look for new ideas*
- *Implement new ideas*

**Actively look for information!**

**Look actively for possibilities to learn!**



**Success**

### Reactive

vs. Wait until you have to react

vs. Complain, wait and hope that things get better

vs. React - wait until your others act first

vs. Always stick to old routines

vs. - Wait until ideas pop up from alone

vs. - Let your ideas be only thoughts and dreams

vs. Wait until people give you information

vs. Do not actively extend your knowledge



**Failure**



**Self-starting** also means that you have to:

- spend energy
- face uncertainties and obstacles while trying new ways
- take some risks
- keep on trying in spite of obstacles!



→ **Successful business owners show self-starting behavior in spite of extra effort!**



## Exercise: Work routines

### Step 1:

Think of your last working day. Make a detailed timetable with everything you did and everything that had happened to you during that day. Also note down the thoughts and feelings that you had during the activities.





## Example: Daily routine of John, the owner of a small grocery store

Time	Business activity
8.00 am	Open store and put up the usual advertisement outside the store.
- 8.45 am	Waiting for the first customer to come.
9.00 am	Phone call from supplier: He is not able to deliver fresh fruits today. This happens already for the third time within the last two weeks. Hope it will get better soon.
9.30 am	Serving the customers. Some leave the store without buying anything because they were only looking for fresh fruits. Sending these customers to competitor next street.
11.00 am	Not many customers today, thus calling some friends to use the time for chatting.
1.00 pm	Cleaning the outside-advertisement and the display.
2.30 pm	Serving customers.
4.30 pm	Closing the store.
- 4.50 pm	Counting sales and calculating the turnover for today – not a good day...



## Exercise: Work routines

### Step 2:

Look at your time schedule: Where have you been self-starting? Where have you been reactive?

Write down alternative self-starting behavior that you could have shown.

Tell the group about the alternative behaviors and how you can make sure you show these behaviors in the future. The others will give feedback.





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## Let's discuss the applicability of personal initiative training!

1. Do you think the training is suitable for the training of entrepreneurs/ aspiring entrepreneurs in the MENA region and West Africa? Why (not)?



2. Please compare the training with training approaches that you use/ are aware of: Which particular advantages and disadvantages of the training do you see?







**Thank you for your attention!**

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