

STEP

Student Training for Entrepreneurial Promotion

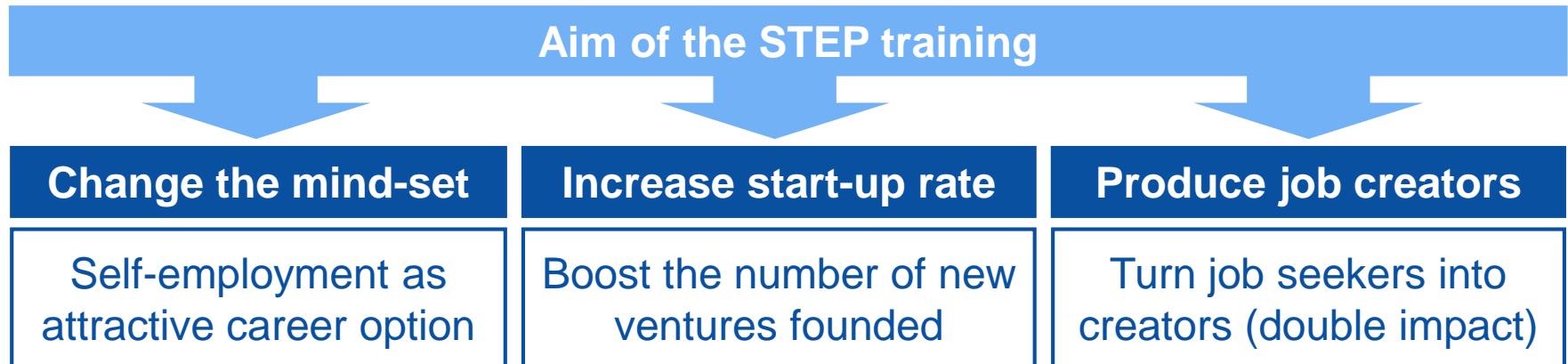
Student Training for Entrepreneurial Promotion

Evaluation Godfrey Okoye University

First and Second Evaluation Wave (T1-T2)

Goals

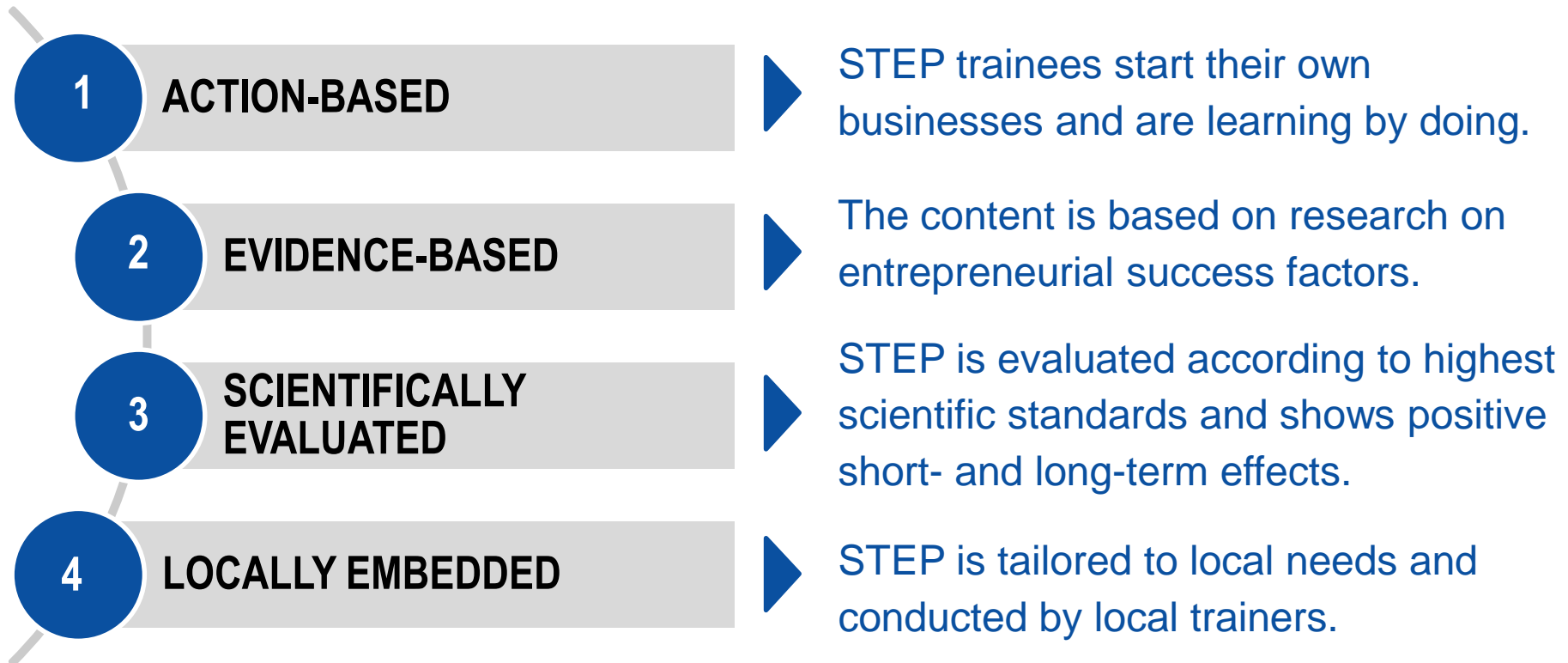
STEP develops young people's skills, knowledge and confidence to pursue an entrepreneurial career.



- Interdisciplinary approach: Training is open to students across different disciplines; mainly **non-business** students
- More than **3,000 students** have been trained in Africa (e.g. Uganda, South Africa), Latin America (Mexico), and Asia (Philippines) since 2009

Key Principles

STEP differs significantly from other entrepreneurship trainings.



STEP is Action-Based

Action-orientation is the core of the successful STEP program.

A Action Knowledge

- Knowledge **what to do**
- Skills **how to do it**

Trainees learn principles of actions that advise how to do things; principles as fast-route to **skill development**.

B Action Training

- Believing that “**I can do it**”:
Confidence

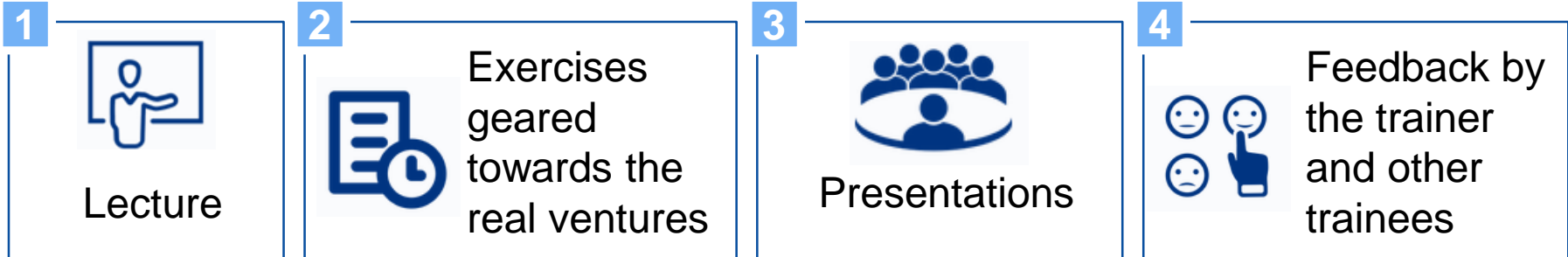
Trainees get **real experience** in starting and running a venture; real experience is invaluable for future start-ups.

*“ I hear and I forget. I see and I remember.
I do and I understand”
- Confucius -*

STEP is Action-Based

STEP trainees start their own businesses and are learning by doing.

- The students form entrepreneurial teams and **start a real business.**
 - Each group receives a starting capital of ~100 USD
 - Starting capital has to be paid back at end of training, profits can be kept
- The training and each session is structured in an **action-oriented way.**
Each session helps the students in further developing their businesses.

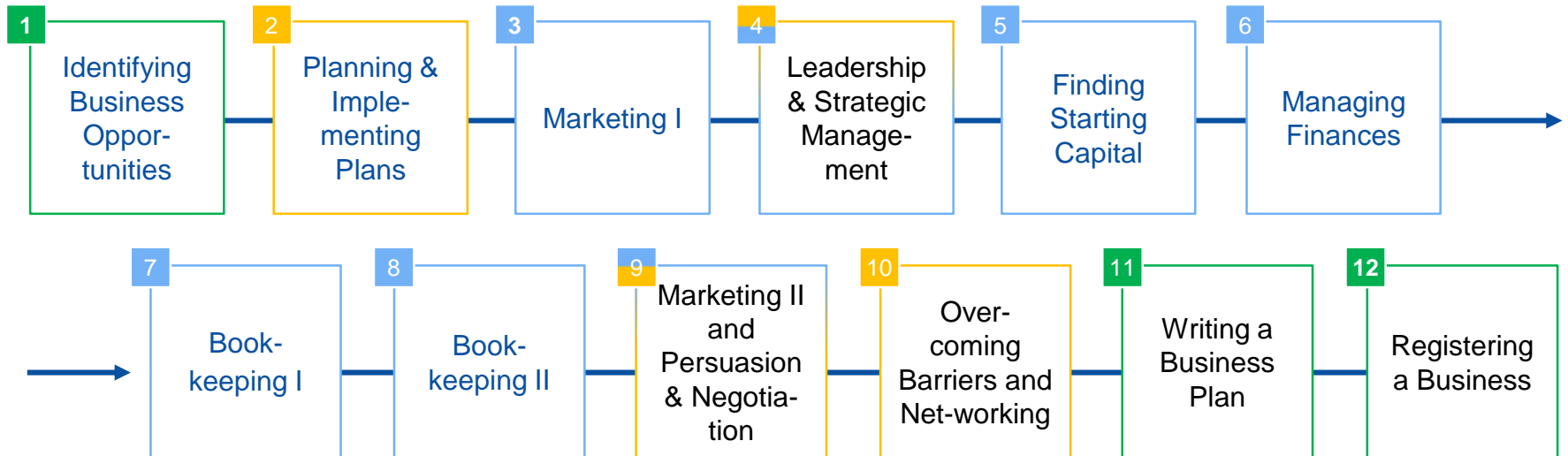


Emphasis

STEP is Evidence-Based and Interdisciplinary

The content is based on research on entrepreneurial success factors.

- The course includes 12 sessions à three hours.
- Sessions cover three relevant domains (interdisciplinary approach): **business administration**, **entrepreneurship**, and **psychology**



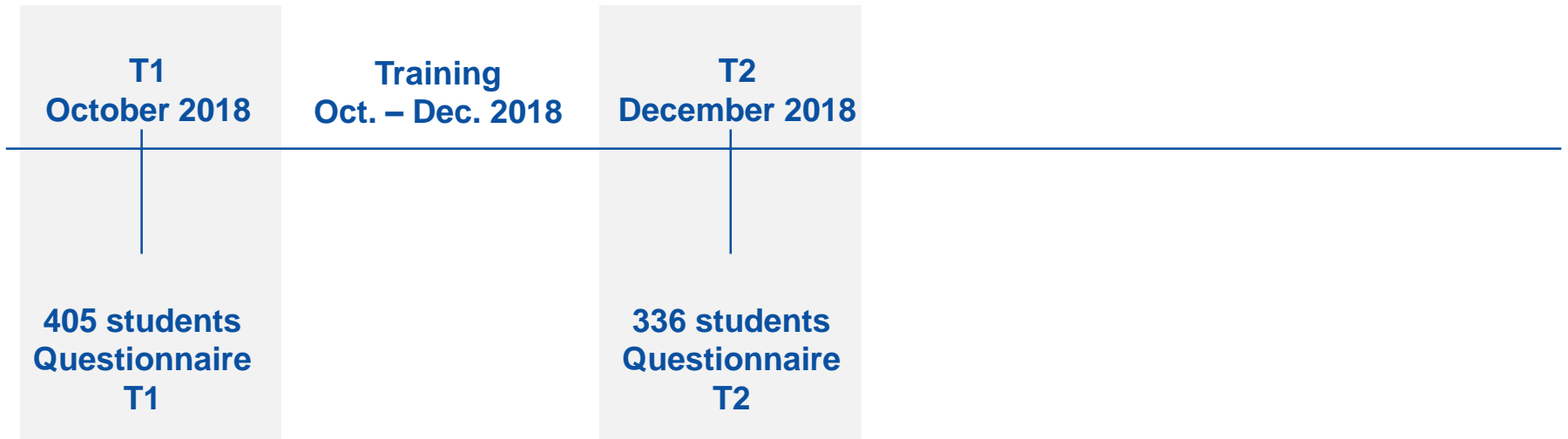
Evaluation GOU: Successful set-up and implementation of the STEP training

- We had **405 applicants** from the GOU (64% male; 36% female), of which **200 students** were randomly selected to join the **training group**. After the second week, an additional **34 members** of the control group were randomly selected to join the training group due to a high number of drop-outs.
- Random process to select training participants.
 - Statistical analyses showed that there were no significant differences between the students of the training group and the other students. The two groups were thus equivalent before the STEP training and all differences after the training can be ascribed to STEP.
- **186 students** attended at least one STEP training session.

STEP was Successfully Implemented; Short-term Evaluation Shows a Positive Impact

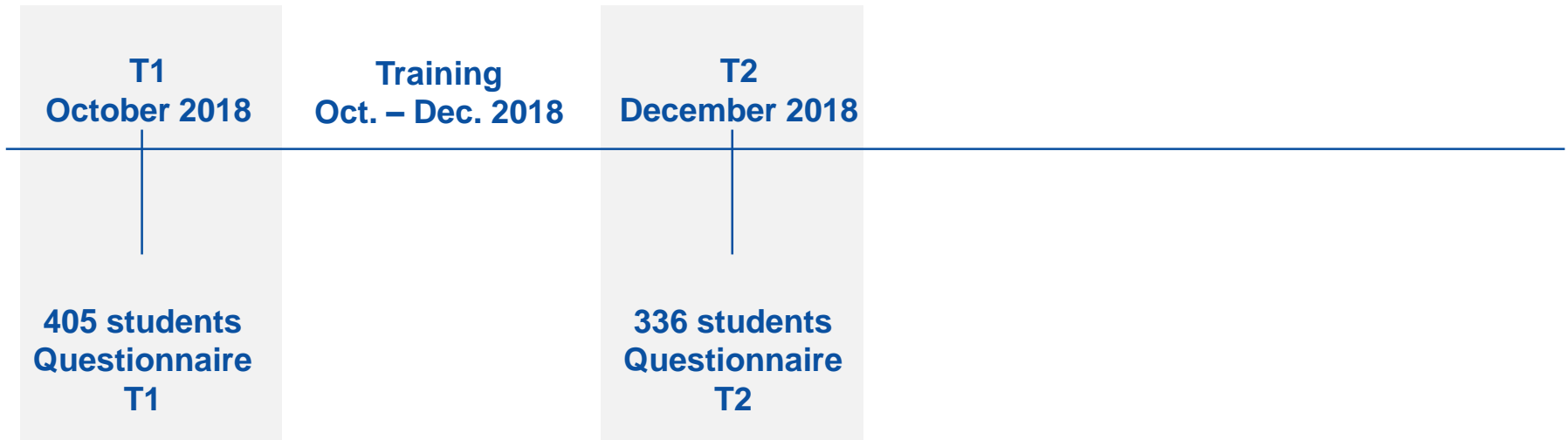
- The STEP training was **successfully planned and implemented**: Out of 186 trainees, 128 students regularly attended the training (drop-out rate training group 31.2%).
- The students were **motivated to follow the training concept**: 100% of the starting capital was repaid; profits ranging from NGN 1,000 to 40,000.
- **STEP changed students' entrepreneurial mind-set**: they identified more opportunities and strengthened their confidence.
- These factors **predict successful start-up**; we expect that students will start more ventures and employ more people.

Study Design to Evaluate STEP corresponds to Highest Scientific Standards



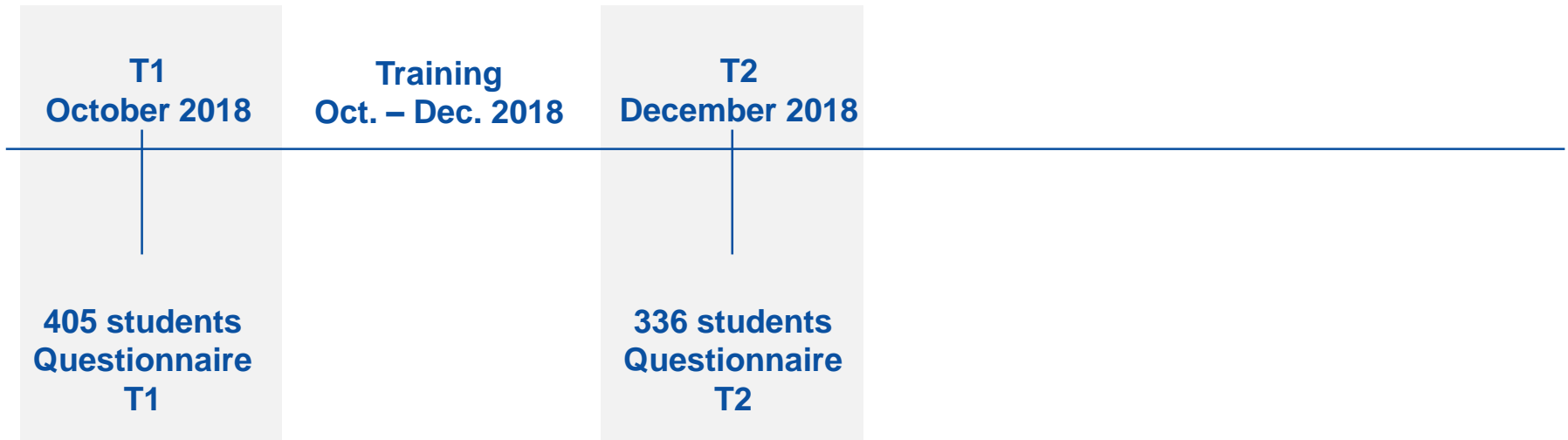
- Randomized control group design with measurements before and after STEP
 - 186 students in training group and 219 students in control group (no training) at T1.
 - 165 students in training group and 171 students in control group (no training) at T2.

Before the STEP training, both groups were equivalent on all measures



- Randomized successful: no significant difference between training and control group
 - demographic (gender, relatives in business, business courses)
 - entrepreneurial and work experience
 - entrepreneurial attitude, entrepreneurial planning and action
 - any relevant outcome variable (e.g., business ownership, employees)

Short-term Evaluation focuses on Changes in Students' Entrepreneurial Mind-Set



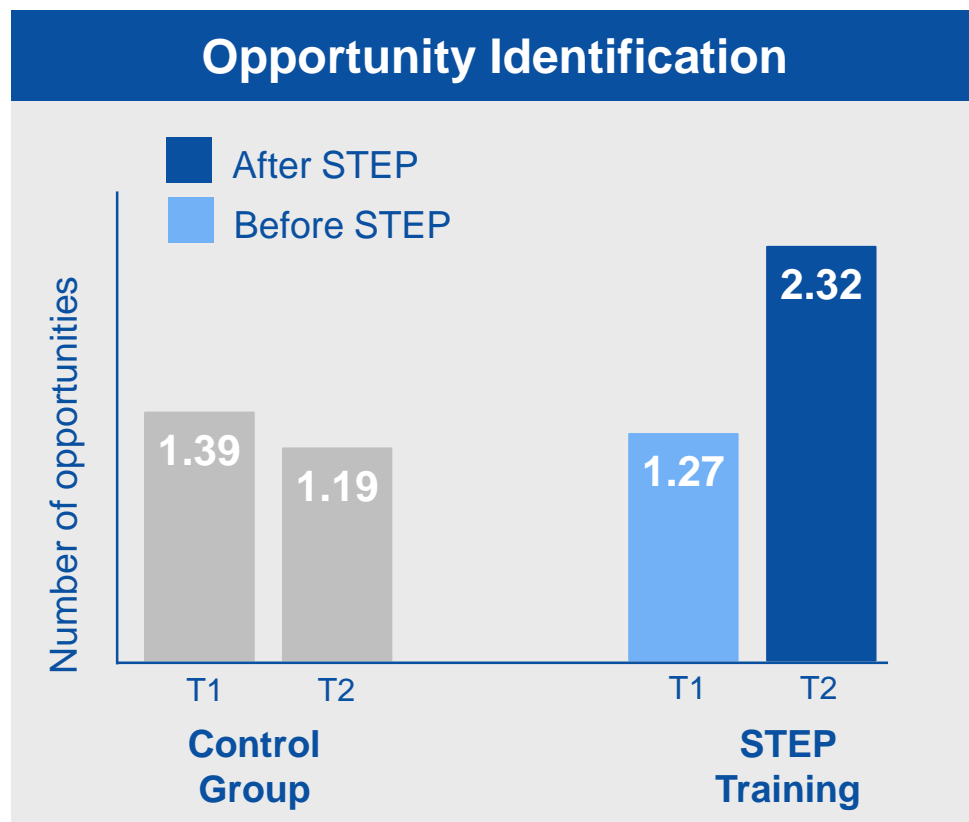
- **Change the mind-set:** self-employment after graduation should become a real option
- Important factors for entrepreneurship which reflect changes in mind-set:
 - Opportunity Identification, Entrepreneurial Confidence, Entrepreneurial Planning, and Entrepreneurial Action

The STEP training has a Positive Impact on Factors Predicting Entrepreneurship

- The STEP trainees identify **95% more opportunities** to create and pursue a business than non-trainees.
- STEP strengthens entrepreneurial confidence; the STEP trainees' **entrepreneurial confidence is 12% higher** than the control groups' entrepreneurial confidence. These results are consistent with the findings from former projects.
- The STEP trainees plan **10% more entrepreneurial activities** to start a business than non-trainees.
- The STEP trainees perform **19% more entrepreneurial activities** to start a business than non-trainees.

The STEP training has a Positive Impact on Business Opportunity Identification

“How many opportunities for creating a business have you identified within the last three months?”



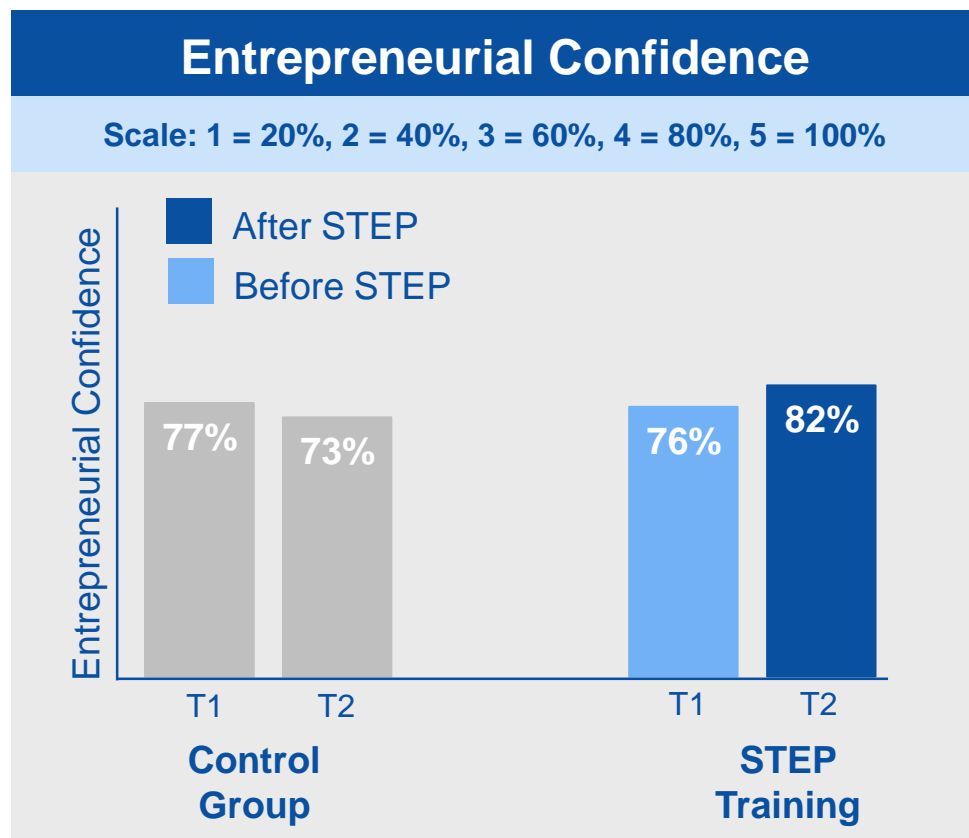
- Number of identified business opportunities.
- STEP students identify 95% more business opportunities than the control group.

➔ Significant impact of STEP training on opportunity identification

Repeated measures ANOVA: Interaction training * wave significant at $p < .001$; $\text{Eta}^2 = .23$.

The STEP training has a Positive Impact on Entrepreneurial Confidence

“How confident are you that you can [...perform different entrepreneurial tasks...] well?”



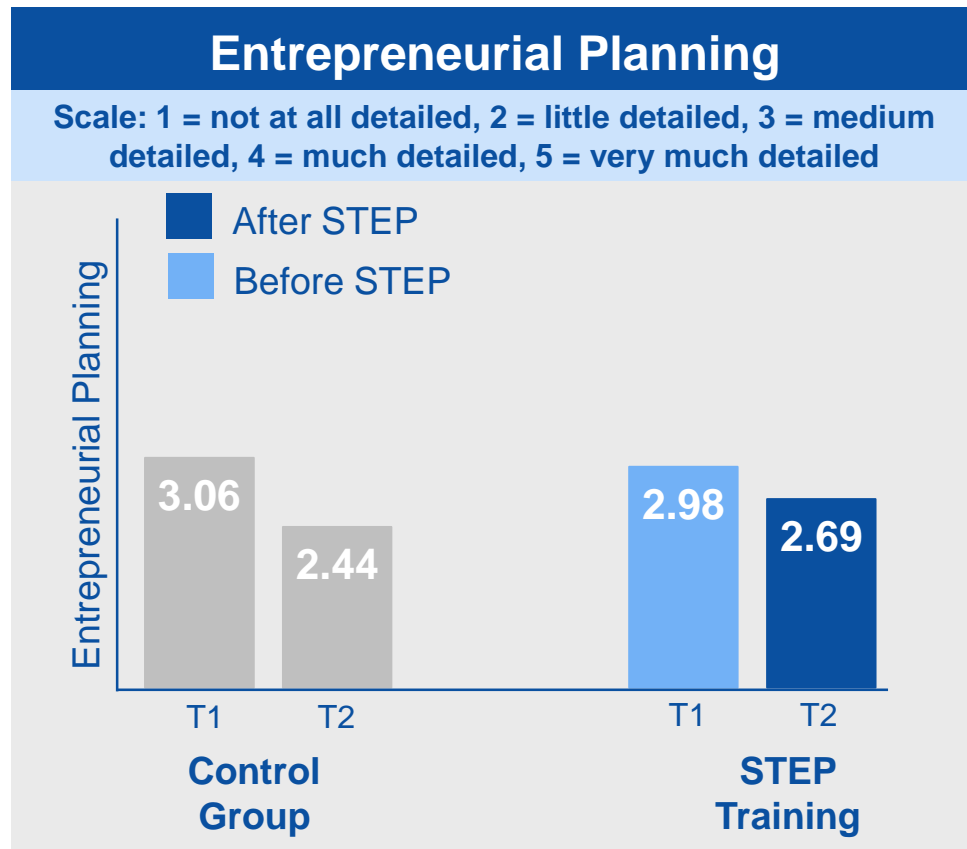
- STEP trainees slightly increased their confidence whereas students of the control group slightly decreased theirs.

➔ Significant effect of STEP on entrepreneurial confidence

Repeated measures ANOVA: Interaction training * wave significant at $p < .001$; $\eta^2 = .10$

The STEP training has an Impact on Entrepreneurial Planning

“What are you planning to do in future to get your business up and running”?



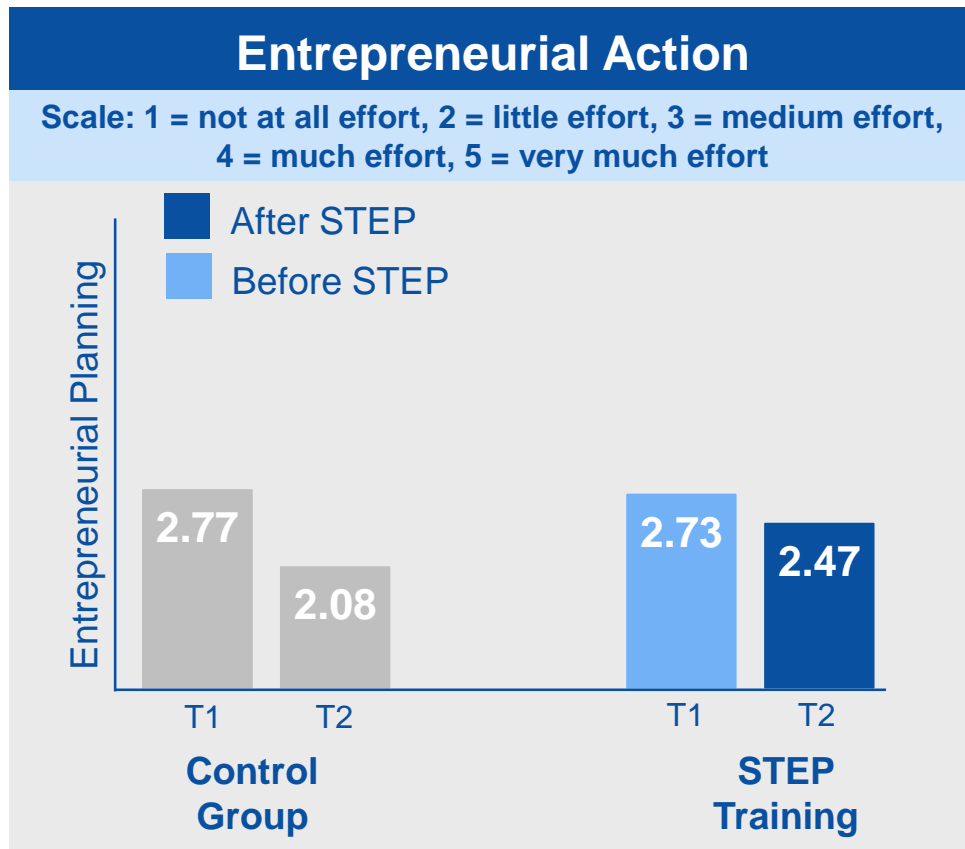
- Start-up activities STEP trainees plan to perform
- Overall decrease of entrepreneurial planning

➔ Training group planned 10% more entrepreneurial activities at T2

Repeated measures ANOVA: Interaction training * wave not significant at $p > .1$; $\text{Eta}^2 = .01$.

The STEP training has an Impact on Entrepreneurial Action

“What have you done so far to get the business up and running?”

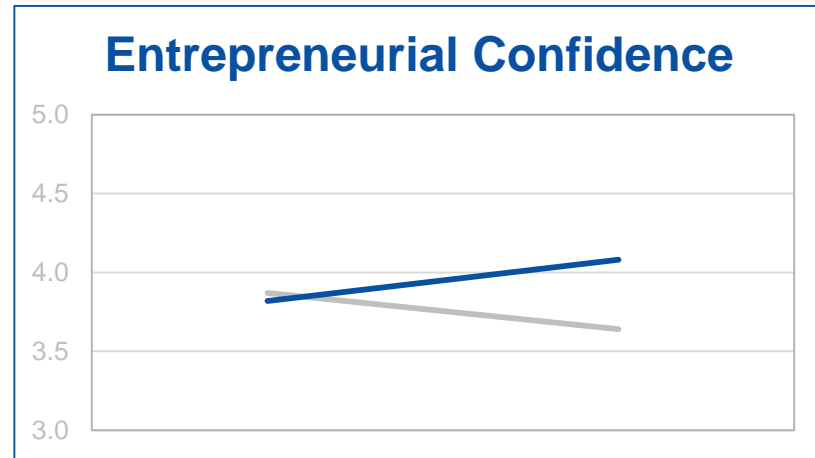


- Number of start-up activities already performed
- Overall decrease of entrepreneurial action

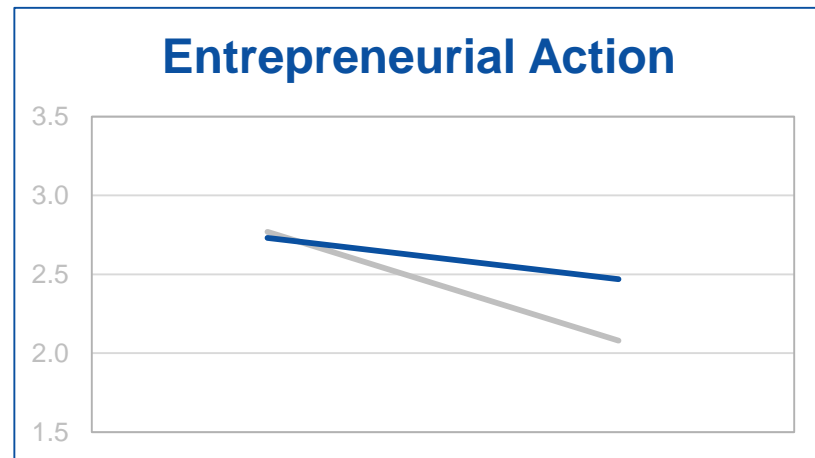
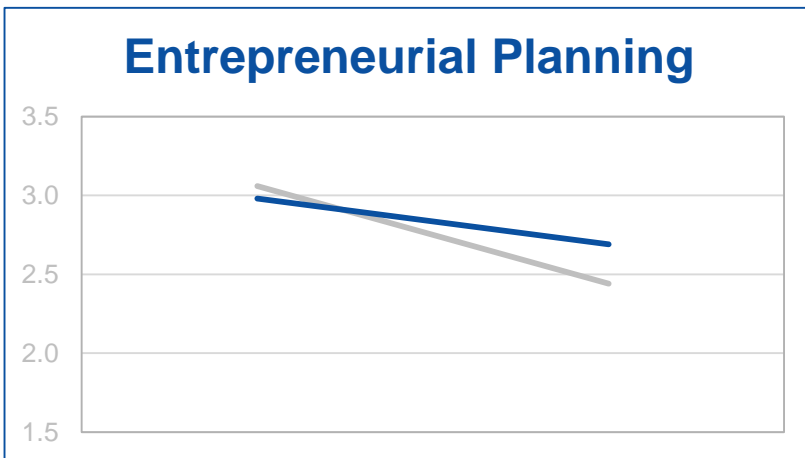
➔ Trainees performed significantly more entrepreneurial actions than the CG

Repeated measures ANOVA: Interaction training * wave significant at $p < .05$; $\eta^2 = .02$.

Overview of Overall Results from STEP South Africa (Pre & Post STEP)



■ STEP
■ Control Group



Repeated measures ANOVA: Interactions training x wave significant at $p < .001$ (OI), $p < .001$ (ESE), and $p < .05$ (ACT). Not significant for PLA.

Before STEP

Directly after STEP

Before STEP

Directly after STEP

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STEP

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