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Entrepreneurship training in Northern Ghana: How to enhance the value of the training?

Leila Kæmsgaard Pagh Schmidt

Abstract

Ghana has high youth unemployment, and young Ghanaians meet many constraints in their effort to build up sustainable businesses. The purpose of this research is to address these constraints and search for ways of turning the constraints into opportunities.

The hypothesis of this research is that adding a focus on means, attitude and enterprising behaviour skills will increase the value of entrepreneurship training.

The study is a design-based research undertaken in collaboration with the local NGO, Youth Empowerment for Life (YEfL). It builds on relevant theory and involves qualitative and quantitative research in Northern Ghana.

The study reveals the five most crucial constraints for young entrepreneurs in Northern Ghana. Moreover, it proposes a new entrepreneurship model and training manual.

Entrepreneurship training, enterprising behaviour, effectuation, Northern Ghana

Introduction

The aim of this study is to increase the value of existing entrepreneurship training in Northern Ghana. Due to very high unemployment rates among young Ghanaians, entrepreneurship training has been a natural focus in Ghana in recent years. However, the young Ghanaians seem to be meeting many constraints in their effort to build up sustainable businesses.

This study is a collaboration between VIA University College and YEfL, a local NGO in Northern Ghana. YEfL has undertaken entrepreneurship training since 2014. Even so, they have not been satisfied with training outcomes because only a few trained entrepreneurs have succeeded in building sustainable businesses. With this study, I am trying to identify crucial constraints in relation to the entrepreneurs' long-term success. In addition, the present study also explores ways of supporting the young entrepreneurs to overcome these constraints.

Different approaches are relevant when speaking about entrepreneurship training programs. One such approach is learning to become enterprising individuals; another is learning to become entrepreneurs; and yet a third is learning about academic entrepreneurship. (Fayolle & Gailly, 2008, p. 581).

The YEfL approach to entrepreneurship has mainly adopted the second approach, focusing on starting up businesses. By focusing mainly on the first approach, this study offers a new dimension to the entrepreneurship training. It does so by acknowledging that training can have a more profound impact on the lives of the young entrepreneurs because it focuses not only on starting up business, but also focus on the entrepreneur's attitude and how actions can improve conditions of life in general.

Theory and Method

First, it is relevant to define what is meant by the term entrepreneurship. In this study, entrepreneurship is defined as a social process based on the individual's own opportunities, where ideas are discovered, created and exploited to create value to others. It is a particular way of
acting and a method that can be learnt. (Sarasvathy, 2008, Shane & Venkataraman, 2000).

This study distinguishes between creativity, innovation and entrepreneurship as shown in the figure below.

The figure shows that building on opportunities is an essential part of entrepreneurship, which is why finding opportunities, is a major part of this study.

A main theory in this research study is the effectuation theory by Sara Sarasvathy (2008), which is an acknowledged theory in the field of entrepreneurship. According to Sarasvathy, expert entrepreneurs believe that people shape the future. They believe that if they can make the future happen, they don’t need to worry about predicting the future. This is what Sarasvathy calls “effectual logic”, which is opposed to “causal logic”, where people try to predict the future to get a feeling of control (Sarasvathy, 2008). According to Sarasvathy (2008), expert entrepreneurs use techniques that minimize the use of prediction and allow them to shape the future.

This study relies on five principles, making up the effectual logic. These principles are, firstly, the Bird in Hand Principle, where entrepreneurs start with their means and don’t wait for the perfect opportunity. Secondly, according to the Affordable Loss Principle, entrepreneurs evaluate opportunities based on whether the downside is acceptable. Thirdly, using the Lemonade Principle, entrepreneurs embrace surprises that arise from uncertain situations. Fourthly, the Crazy-Quilt Principle suggests that entrepreneurs form partnerships with people with different means. Finally, using the Pilot-in-the-plane Principle, entrepreneurs focus on activities within their control (Sarasvathy, 2008).

In order to focus on enterprising behaviour, the study brings in theory about enterprising behaviour, meaning “a person’s ability to convert thoughts into change-provoking actions of value to others” (Kirketerp, 2010).

According to Kirketerp (2010), enterprising behaviour can be seen as an attitude to life and as essential for a good life, which is why this focus has great value to the present study. Kirketerp (2010) argues that it is not enough to get people to see opportunities; we should also create the will and confidence to act on them. It is well known that long-term goals can kill any initiative, which was also some of the problems with the existing training. If you focus only on the long-term goals, you can easily fail. However, focusing on small steps allows us to call all minor achievements a success. In that way, long-term goals are achieved in small, manageable steps.

Kirketerp (2010, p. 7) argues that “all processes are best conquered in small bites”. Along the way, we solve problems that seem impossible to begin with. We learn from the process, get a better perspective and see how things relate. In that way, in any process it is just a matter of getting started.

To start focusing on how the entrepreneurs can create, deliver and capture value, I introduce the visual framework; Business Model Canvas (Osterwalder & Pigneur, 2009). This model is a simple, relevant and intuitively understandable model, which has been applied and tested in many organizations around the world. The model consists of nine basic building blocks that reflect the logic of how a company intends to make money. Three of the blocks; value propositions, costumer segments and key activities, are built into a one-week camp with young entrepreneurs from a local community in Northern Ghana, whereas the rest are built into follow-up training after the camp.

The study is based on the Design-Based Research (DBR) method. By grounding itself in the needs, constraints and interactions of local practice, DBR offers a lens for understanding how theoretical claims about entrepreneurship teaching can be transformed into valuable knowledge.
The research design follows the ELYK model (Christensen, et al., 2012), having four steps:

1. Problem identification/research about the context.
2. Finding possible solutions/designing prototypes.
3. Field testing/intervention in practice.
4. Reflections/developing theories and documentation.

The first step was to identify the constraints young entrepreneurs meet when starting up business. These constraints were identified during a field trip to local communities in Northern Ghana, interviewing young entrepreneurs, NGOs and local facilitators.

Combining the knowledge about the constraints with the above-mentioned theory in step two, a new entrepreneurship model emerged. Along with this model, a manual with suggested exercises was also produced. For further information about the manual, see http://www.yeflgh.com/youth-entrepreneurship (Schmidt & Grauenkær, 2017).

In step three, the new model and manual were tested in the local setting. Firstly, we had a one-week training session with local facilitators. The new model was tested in a co-creation process where the local facilitators went through the training themselves. Secondly, during the one-week camp, the local facilitators were facilitating the process, and as researcher, I was observing and facilitating the local facilitators. Thirdly, in step three, the local facilitators conducted another two camps, using the new model, in other local communities. The research build thus on three camps with young participants from three different local communities in Northern Ghana. Altogether 66 participants joined the camps.

In step four, quantitative surveys among participants were completed before and after the one-week camp in all three communities. The surveys contribute among other things with knowledge about the participants’ attitude to failure, waiting for help and needing money for start-up. To gain knowledge about the effect of the training in the long term, a qualitative study will be made later this year. This study will obtain data from interviews with participants and facilitators from all three communities.

**Findings**

The study has revealed the five most crucial constraints for young entrepreneurs in Northern Ghana. In random order, these constraints are 1) lack of start-up capital, 2) a waiting attitude, 3) culture and traditions not being supportive, 4) inadequate education system and, finally, 5) a low level of trust.

In order to make a new entrepreneurship model, taking in to consideration these five constraints, the relevant theory and respecting the already existing training model, I included eight fundamental elements in a new training model. The model is designed to have a step-by-step logic.

The process starts with Sarasvathy’s *Bird in Hand Principle*, focusing on the means of each participant. The second step incorporates the participants’ attitudes and challenges the waiting attitude. Thirdly, focusing on the constraints, I seek to make the participants aware of their constraints and make them reflect on how to overcome these constraints. The fourth element focuses on collaboration between participants, i.e. how to start trusting others and drawing on other peoples’ means to support the entrepreneurs’ long-term success. The fifth element focuses on how value is created because entrepreneurship is about creating value for others. Looking for disharmonies in the participants’ lives or communities in general, help them to see how to create value. The sixth element focuses on opportunities, i.e. how to find the right opportunities matching the means of the participants - This element is very much about creativity and ideation. The seventh element is concerned with qualifying the opportunities found. This element draws on some parts of the Business Canvas Model (Osterwalder & Pigneur, 2009). The last element is about finding the next best steps to take with full control. At this point, the participants search for realistic steps to take in the nearest future after the camp.
About six months before participating in the training, the young entrepreneurs meet and form so-called Village Savings and Loan (VSLA) groups (VSL Associates, 2017). This allows them to make savings for start-up capital, which was one of the crucial constraints.

After the camp, local facilitators in the local youth centres will be providing coaching on the next steps and will follow-up on training received. The follow-up training focuses furthermore on completing the Business Canvas Model, in order to help the participants to design their business for long-term success.

The quantitative data obtained before and after the camp revealed a fundamental change in attitude before and after the training. One example is the attitude towards waiting. When asked: “Right now, I am waiting for someone to help me start a business”, the attitude of all three groups of participants changed profoundly as a result of the training camp. When asked: “I am afraid to fail” the attitude also changed significantly after the camp compared with before in all three groups. In this way, the quantitative data indicate that the training had a positive effect on the participants’ attitudes.

### Discussion & Conclusion

Applying my way of conceptualizing entrepreneurship to a completely new context has been very insightful. It turned out that the local facilitators found the new model inspiring. They perceived the effectual logic quite easily in spite of the fact that they had a very strong tradition for more causal logic. The young entrepreneurs were very open-minded and positive towards the exercises at the camp. This stands in some contrast to how Danish students often adopt shy away from exercises if they don’t find them directly relevant. The young Ghanaians plunged into all kinds of creative adventures, not asking why to do it or refusing to do it. This was a real revelation to me as I am used to students hesitating to leave the comfort zone.

It turned out that the young entrepreneurs found it difficult to make abstract reasoning. In order to push the ideation process, we added more creative facilitation to the manual. With a lot of fun, the young Ghanaians were playing with play dough, straws and wooden building blocks.
The weak point of the manual turned out to be the element about finding opportunities. Matching means with disharmonies needed more time and facilitation. With this awareness, we added one more day to the camp to make sure the participants had enough time to identify exactly their opportunities.

The need for finding opportunities matching individual means is not, in effect, limited to Ghana or any other country for that matter. In my point of view, this is a universal challenge that makes the entrepreneurship model useful in many different contexts. It is my opinion that the eight different elements are all relevant when working with entrepreneurship training. The specific exercises in each element could, however, change from context to context.

In conclusion, it is clear to me that the focus on enterprising behaviour and effectual logic has much to offer when training entrepreneurship. Having to create a business plan in the first place might be an overwhelming task, not supporting the entrepreneurs to take actions. Seen in that light, it is valuable to make the young entrepreneurs start by taking small manageable steps and feel the success from each managed step. Creating a Business Canvas Model can help the entrepreneurs to develop the business idea and to set goals to walk towards, step by step.

References


