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# Existing Metrics Use in Indexing ICT Integration in University Teaching

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#### Abstract

ICT integration by universities teaching professionals is emerging as a major concern, this study demonstrate the need to address the integration problem by encouraging existing metrics use in indexing ICT integration as an ICT governance strategy. Quality of integration depends on guality indexing which also depend on guality of existing metrics and their use. Considering the role that University Information Technology Teaching Professionals' (UITTPs) continuous improvement indexing can offer, towards autonomic governance of the continuous emerging ICTs in the university teaching, this study examined extent in use of existing ICT integration metrics to index ICT integration by the UITTPs. Six metrics for ICT integration were investigated; time, workshop course content relevance, technical malfunctions, support conditions, support services, and motivation and commitment to student learning and staff professional development metrics. Descriptive survey design was used in which interviews were conducted to UITTPs in three (3) public and three (3) private purposively selected universities in Kenya. The findings were analyzed descriptively and inferentially using Kendall's correlation of concordance and tested using Chi-square on the extent of concordance and presented with help of frequency tables, figures and percentages. The findings revealed that all the metrics are rarely used for indexing ICT integration (32.8%), and most UITTPs were in discordance on this level of all the six metrics use except for support condition. This implied that the use of metrics for indexing integration has not been formalized across the Kenyan universities. Universities need to be encouraged to identify suitable metrics, formalize them and improve their frequency in use. Secondly, socio based metrics such as content relevance are used more frequently for indexing integration as compared to Technical metrics, sociotechnical metrics balance therefore need to be emphasized by the universities management when determining and using metrics for indexing ICT integration.

Index Terms: ICT, integration governance, Index, Metrics, University IT Teaching.

### **1.0 Introduction**

ICT (information Communication technology) is the convergence of the traditional Information technologies in one common platform, to enhance interfacing of the communicating technology parts. While the technology parts communication is enhanced, the original human (socio) purpose for initiating the communication need to remain fundamental as the enabler or the main driving force. The roles of ICT in any system need to be viewed as an integration activity as it aims at fitting or convergence of various ICTs.

Integration is the process of fitting a legacy system, practice to a new one, usually with the view of improving it. Such improvements need to be purposeful. The various types of ICT integration entail software to software or to hardware, hardware to hardware or user to hardware or software integration. The focus of this study was on end user ICT integration issues, specifically user - lecturers ICT integration (UNESCO-UIS, 2015). Many recent global studies shows that lecturers do not integrate ICT (Ly Thanh Hue and Habibah Ab Jalil, 2013, Federal University of Technology, Minna Atsumbe, Raymond, Enoch and Duhu , 2014, Farel, 2015). In developing countries like Kenya, ICT integration levels in learning institutions is unknown (Chemwei, Njagi and Jerotich, 2014). However, ICT integration should be based on sound metrics that can help improve integration and the metrics derivation should be guided by appropriate ICT governance models, such as COBIT5. A tightly integrated ICT index depicts a measure derived from metrics that bear a quality teaching skill value that results in university graduates productivity (Baskerville and Dulipovici, 2006) and above all that points to the sustainable development goals of Education and by extension the SDG (sustainable development goals. Lin, (2005) and Liu and Huang, (2005) developed measurement tools to investigate teacher attitudes towards ICTs. However, attitude is just one of the barriers, therefore this measurement tool lack adequacy in scope. This study adopted ICT governance – COBIT 5 implementation cycle to help map the existing metrics to Wan et., al (2009) indexing levels.

#### 1.1 Statement of the Problem

Currently, there is lack of sufficient knowledge about the extent of existing use of metrics by University managements to index individual UITTPs ICT integration in universities. With the rapidly emerging Internet of Things (IoT) resulting into big data, then the management of UITTPs ICT integration is likely to be more complex if the metrics are not used. The UITTP-ICT-indexing need to be based on metrics that can be autonomous so as to effect continuous improvement given the myriad and vegetating ICT innovations (Akbulut et al., 2011; united nation Economic and Social Council 2011) The metrics also need to be grounded on Sustainable development Goal 4-Education (SDG4-Education). These aspects of ICT integration performance index and metrics currently lack and if they exist then they have not been evaluated empirically through sound models. University ICT integration metric need to be implemented based on sound ICT integration models such Cobit5, a situation that currently is not known therefore need to be investigated, this formed the basis of this study.

#### 1.2 Study Objectives

This main objective of this study was to establish extent in use of existing metrics in indexing University Information Technology professionals' continuous improvement in ICT integration. The Specific Objectives were:

i. To establish the frequency in use of existing metrics in indexing University Information Technology professionals' continuous improvement in ICT integration

ii. To establish the extent to which the UITTPs agree on use of ICT integration metrics to index UITTPs improvement in ICT integration

## 2.0 Literature Review

This section reviews literature by beginning with the concept of ICT Integration in the Learning process, the role of metrics towards indexing n ICT Integration, influencing metrics to those classes and finally the conceptual model.

## 2.1 ICT Integration and the Learning Process

A learning process that fully integrates ICT seamlessly to the learning process is referred to as courseware integration. In the courseware learning context, Pisapia (1994) defines ICT integration as the use of ICT to introduce, reinforce, supplement and extend skills. A management approach to definition of ICT integration is exhibited by Low (2001-16) as illustrated in his ICTTRAPs model for integrating teaching. Low (2001-16) views ICT integration as an aid to achieve administrative proficiency and productiveness in and outside instruction. In the process, context Mahmud and Ismail (2008) define ICT integration as the process of determining where and how technology fits in the teaching and learning scenario. The where and how implies and points to the need for decision making and therefore the view of ICT integration in the governance and management lens. The integration process must therefore be planned, have policy and governance strategy, a concept that these authors fail to emphasize.

Low (2001-16) further adds a culture perspective in the process of integration by arguing that it is also an enculturation of organizations assimilating ICT infrastructure process. If ICT integration entails culture, then it is a complex process. Culture is dynamic and therefore ICT integration is dynamic. Grhavifekr et al., (2014) also asserts that integration is complex task due to its dynamic nature, they therefore recommend that it requires planning, and in addition policy, decision making need to be incorporated (Hashim, 2007; Grhavifekr and Sufean, 2010; Zellweger, 2006).

The enculturation dimension of ICT integration points towards the humanistic (socio) dimension, whose governance require; structures, processes and boundary. Therefore ICT integration needs governance and management through continuous improvement due to its dynamic perspective.

## 2.1.1 Viewing ICT Integration as Governance Activity

Governance is the providing of the structure for determining organizational objectives and monitoring performance to ensure that objectives are obtained (OECD, 1999). This definition emphasizes structuring of the objectives or goals so as to enable those goals monitoring. As already discussed in section 2.1 on the definition of ICT integration governance, then the ICT integration process (governance activity) should entail first, structuring the ICT integration goals for the learning process before they can be monitored. No single model of good corporate governance is the best but the key is that good governance must be based on supervisory boards to protect the rights of shareholder and other stakeholders such as employees, customers' creditors. (Weill and Ross, 2004). Therefore a good ICT integration governance activity should be context specific to the learning process of the universities; this is due to the humanistic (socio) nature of integration process. MIT sloan ISCR (2003) developed one of the earliest frameworks linking ICT to corporate governance, in their framework they view IT as one of the key assets just like other traditional key assets like human ,physical, financial. ICT is therefore one of the key assets for achieving strategies and generating business value (Weill and Rose, 2004). Mechanisms of governance of key assets include structuring processes. Governance activity entails structuring of organization to enhance objectives performance monitoring while integration aims at fitting the legacy system to the new system parts. Both aim at improving performance in which the improvement according to Low (2001-16) is by extending and reinforcing the legacy (Pisapia 1994) or simply restructuring the learning process using the ICT. Basing on the earlier argument's, that ICT entails convergence of the legacy communication technologies and the new emerging ones, and then IT governance is necessary in ensuring extension and structuring of ICT integration. The extensions however, need oversight so as to know whether the original goals and objectives of the learning process are still being achieved or positively being extended. ICT integration as currently being used in university teaching is stealth on oversight and monitoring of the degree of alignment or fitting, a gap that need to filled in by an appropriate ICT integration governance strategy. ICTs governance in Universities teaching learning process is therefore a key asset in ensuring ICT integration.

Moving forward, ICT integration must be viewed in the lens of governance, especially in university teaching, a concept that appear to be currently lacking and may have led to the increased poor integration in Kenya. The next section discusses how ICT metrics use can be an asset as ICT integration governance strategy.

#### 2.2 Existing Metrics use Towards Indexing Improvement in ICT Integration

Metric was originally used to mean standard in 1793 at napoleon's time and later used to refer to one tenth millionth part of distance from the equator to North Pole when measured straight along the surface of the earth to Paris. Metric is the best basis of representing other variable that share common purpose. Metrics has become popular in organizations as the concern to determine, control human productivity (Fletcher, 2015). Their applications in organization therefore need to have a basis to govern the myriads of variables influencing human productivity during ICT integration.

ICT based Metrics in organizations has had various applications such as; governing the emerging need for continuous integration of ICT in organizations, managers need to have standards or basis for determining current productivity of ICTs, determining the extent to which personnel use ICT effectively, especially with the need for continuous learning of ICT. Can we therefore have standards or basis (metrics) for indexing the continuous improvement in ICT integration? The next section 2.2.1 explores this.

#### 2.2.1 Metrics as a Basis of Governing ICT Integration in Organizations

Literature review demonstrates the existence of various approaches towards standardizing measurement (metrics) of ICT integration for organization. Standardizing or formalizing of measurement is therefore viewed as a governance activity and it includes: the Nolan (1973) maturity/growth model and Poter & Millars (1985) model on the three ways by which IT affect organizations' competitiveness which include ; structure and rules, outperformance and new opportunities. Porter, (1980) also suggests competitive advantage metrics of the IT investment in terms of Products differentiation level measures like product; price, place and promotion. Porter

(1980) specifically singled out Value addition measures and Rogers' (2005) also suggested primary and Support to the primary activities metrics.

Other metrics include strategic alignment measures which emphasize compatibility with, and leverages upon the company's existing characteristics and advantage measures. Innovation in IT is of strategic importance only if it is compatible with, and preferably leverages upon the company's existing characteristics and advantages (Beath & Ives 1986, Clemons & Row 1987). One particularly important facet of this is the notion of 'strategic alignment' of IT policies and initiatives with the directions indicated by the corporation's senior executives (Earl, 1989, Broadbent & Weill 1991).

Cobit5 (Control business IT) is emerging as a useful IT Governance framework that can enable both comprehensive and dynamic metrics as it provides an integration framework for all other existing IT standards, it is end to end (ISACA, 2012). Its seven phases of implementation lifecycle recommends that any IT governance implementation should ask and address seven questions. This study focuses on the question two, where are we now? In terms of ICT integration in universities it entails asking two further questions :a) where are we with existing metrics and where are we with their use in indexing ICT integration?

University ICT integration activities need therefore be aligned to strategic objectives of the universities which must also align to the SDG4-education. It would be therefore necessary to examine the nature of the existing ICT integration metrics use in the universities before a sound ICT integration -governance model is adopted. The next section reviews on what entails existing ICT integration metrics and their influences on other metrics and indexing.

### 2.3 Existing Metrics used for Indexing ICT Integration

Wan et, al (2009) identified conditions which they used to classify ICT integration based on; availability of ICT resources, acquisition of ICT knowledge, accessibility to ICT resources, existence of support, teacher's commitment to the innovation, influence of external forces; desire to change school practice. Essential conditions which entails mandatory needed condition for the ICT implementation, e.g. infrastructure, policy, while supporting conditions-are to assure the continuation of the ICT implementation .Each of these metrics have sub metrics that influence them as discussed below.

#### 2.3.1 Metrics for Indexing Support Conditions

ICT integration Support condition is viewed as an ingredient for professional development (Newby, Stepich, Lehman, and Russell, 2000). It is influenced by student's interests, continuous learning that focuses on developing lifelong skills and that occurs via connection with the real-world rather than only the teaching (Roblyer, 2004). Support to accessibility of ICT resources, existence of the support itself and with those having adequate skills to support lecturers (Omariba et al., 2016), integrator desire to change, the school practices, influence of external forces and teacher's commitment to the innovation (Wan et al., 2009). They are mostly of human factors; their measurement therefore requires dynamic metrics, individualized and participatory so as to effectively enable their determination.

#### 2.3.2 Metrics for Indexing Motivation and Commitment

This metric has been shown to be influenced by ample technology, ample time to learn the technology, academic and cultural structure to encourage experimentation of work (Sheingold and Hadley, 1990) and Collaboration during integration (Pedretti, et al, 1999).

#### 2.3.3 Metrics for Indexing Attitude in ICT Integration

The sub metrics here include pupil choice rather than teacher directive learning, pupils guided learning than teacher directed learning; pupil empowerment as learners rather than receiving instructions; preference for individual student study rather than pupils receiving instructions (Ly Thanh Hue and Habibah Ab Jalil. ,2013).

#### 2.3.4 Time based metrics

According wan et al, (2009) time sub metrics included free time to prepare lesson using ICT (Farell, 2007 and Hennessy et al.; 2010), lack of enough time to surf internet for information, and scheming and selecting information. Lack of time allocated to access ICT facilities freely (Muyaka, 2012 and Omariba, 2016).

### 2.4.5 Metrics for Workshop Course Content Relevance index

The influencing actors included applying the acquired knowledge during workshop in their school, software and hardware learned during the course being the same with what was found in school, workshop teaching them on how to integrate ICT in their teaching (Wan et al., and Omariba et al., 2016 pg.207).

#### 2.3.5 Metrics for Technology Mal-functioning ICT Integration Index

This entailed server break down, inaccessibility from home, malfunction of computer, server, router and LCD. (Wan et.,al 2009), power outages (Omariba et al.,,2016)

#### 2.4 Conceptual Framework

The study extends the Wan et al (2010) proposed four performance levels index of ICT integration in teaching specified as level (LI, LII, LIII, and LIV) using COBIT 5 continual improvement life cycle framework. As has been discussed above Cobit5 suggests in its phase two of the implementation cycle, there is need to understand the current circumstances. It involves identifying and agreeing on business objectives through interview, debates and existing policies - gap (process). Cobit5 theory is suitable for large, complex and complicated situations, it provide a basis for the process of deriving metrics that suit ICT integration in university teaching. The Cobit5 strategy guided the process used to derive effective metric that is necessary to continuously improve ICT integration index (monitors) (LI to Lv), as shown in figure 2.4. The improvement of ICT integration performance levels from LI to LV and to LV are dependent on frequency in use of existing use for indexing ICT integration which include support conditions (attitude), supporting services time metrics ,course content and technical malfunctions as proposed by Wan et al.(2009). This is as conceptually represented below in Figure 2.4.

#### Figure 2.4 Conceptual framework

Source: Author, 2017

### Independent variable

#### **Dependent variable**

# **Existing metrics use**

- Workshop Course content relevance
- motivation and commitment
- support conditions
- support services
- time
- technical malfunction

# Index level of UITTP ICT integration

- Level I-Verbal integration
- Level II- Written Integration
- Level III- Courseware Integration
- Level IV-Combination of L1,II,III
- Level V Transformative

#### **3.0 RESEARCH METHODOLOGY**

Using post positivist research methodology paradigm and deductive research process, observation about the existing metrics use in ICT integration was examined from the purposively selected six Kenyan universities. The study adopted design based mixed research approach by undertaking a literature review and descriptive survey. A purposive sample of 3public and 3private UITTPs populace practicing in Information Technology and computing departments was selected based on intensity of IT related programmes (Cue 2015).

Interviews were done to 36 (12 UITTPs,6heads of IT related departments,6Human Resource officers,6Directors of ICT,6Quality Assurance) and their opinion were rated on a five point likert scale which was used to capture frequency in metrics use in the last Semester (not all, less frequently, moderately, satisfactorily and very frequent). The findings were quantitatively and qualitatively analyzed and rank correlation analysis done, using Kendall coefficient of concordance of correlation and significance levels of agreement of ranks correlation tested at 90% significant levels using chi square test .

### 4.0 RESEARCH FINDINGS, ANALYSIS AND DISCUSSION

The study examined existing ICT Integration metrics and their use through six sub themes: Existing use of time metrics as an index, ICT workshop Course content and training relevance metrics, Technical malfunction, Extent of using support conditions metrics, support services, Motivation and commitment to student learning and professional development. The study was done by interviewing; human resource officers (HR), Chair of IT department (COID), quality assurance officers(QA), and UITTPs. The distribution is as shown in the appendix table 4.0.

The rating on extent of use of the metrics were based on a 1 to 5 scale of ascending intensity of exiting metrics use from not all (1), less frequently, moderately frequent, satisfactorily frequent to very frequently (5). The findings were as shown in appendix tables 4.1 to 4.6

#### 4.1 Extent of using Time Metrics for Indexing

Various UITTPs ,HR, COID, QA through interview were asked to rank extent of frequency in use of eight constructs of time (metrics) during ICT integration. Data from some four interviewees were cleaned out for inconsistency so the total sample size analyzed was 32 instead of 36. The findings of the eight time constructs evaluated for use are shown in the appendix table 4.1.

#### 4.1.1 Descriptive Analysis

The mean use of time as metric was ranked at 1.4 (not at all used metric) on the likert scale of 1-5. This value was just slightly below less frequent . However six out of eight items of the time metrics were ranked at less frequent in which extent of adequate time for teaching/lesson presentation using ICT had the highest ranking (1.67) all of the other five of them ranked at 1.5. The least frequently used time metrics were extent of adequate time to operate the computers/software (1.4) and extent of adequate time for students to settle down (1.25)

#### 4.1.2 Inferential analysis

Inferential analysis was done against the null hypothesis; Ho=there is no agreement in ranks given to the eight time metrics by the COID, HR, UITTPs and QA. Kendall's Coefficient of Concordance correlation of observations N=32 and K =8 showed a very weak correlation (W=0.029) or agreement in the ranking of the metrics. A Chi-square test at 90 % significance at df =7 which had a calculated value of  $X^2$ =6.23 against tabulated value of  $X^2$  =12.02, since calculated value is less than the tabulated value therefore, null hypothesis(Ho) is accepted. This implies that there is no agreement in the ranking in the use of the eight time metrics constructs in indexing ICT integration. It is therefore concluded that it is not reliable to infer that time metrics are not used at all by the departments because the interviewees did not agree. It can therefore be argued that time as a metric has probably not been formalized or thought of as a critical metric of ICT integration in the Kenyan universities. Commission of University education (CUE) the body in charge of ensuring quality education has not thought of this. This is against the studies by Wan et al., (2009) who suggests the critical importance of time during ICT integration.

#### 4.2 Course Content Relevance Metrics

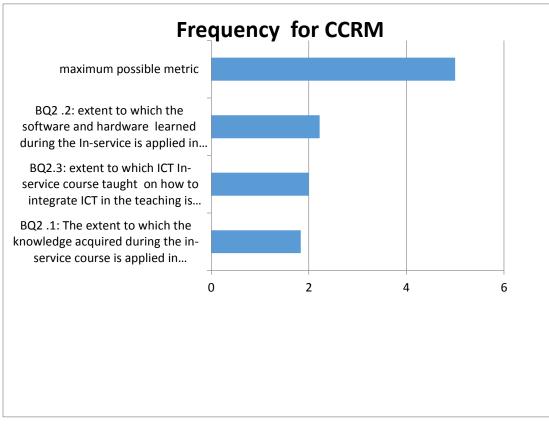
Various UITTPs, HR, COID, QA (N=36) through interview were asked to rank the extent of frequency in use of three constructs of Course Content Relevance (metrics) during ICT integration. The findings of Course Content Relevance constructs evaluated are shown in the appendix table 4.2.

#### 4.2.1 Descriptive Analysis

The most frequently measured course content and training relevance metrics was the extent to which the software and hardware learned during the In-service is applied in teaching at (2.2) on the likert scale of 1-5, followed by the extent to which ICT in service course taught on how to integrate ICT in the teaching (2.0), while the least

measured metric in this construct was the extent to which the knowledge acquired during the in-service course is applied in teaching (1.8) details are illustrated in figure 4.2 below.

## Figure 4.2 Frequency for course content relevance



This resulted in a mean of less frequently used in indexing of course content relevance at (2.0) implying less frequent use.

# 4.2.3 Inferential Analysis

Inferential analysis was then done against the null hypothesis; Ho=there is no significant agreement on ICT integration metric use ranks given to the three course content relevance metrics by the COID, HR, UITTPs and QA. Kendall's Coefficient of Concordance correlation of observations N=36 and K =8 showed a very strong positive correlation (W=0.97) or agreement in the ranking of the metrics. A Chi-square test at 90 % significance at df =2 had calculated value of  $X^2$ =3.5 against tabulated value of  $X^2$  = 4.6. Since the calculated chi square value is less than the tabulated value therefore, Ho-null hypothesis is accepted .This implies that there is no agreement in the ranking of the course content relevance metrics. In addition, the mean of 2.0 depicts a very low level in frequency of its use in indexing ICT integration levels. Further, such metrics have no coordinated basis of course content relevance metrics. Therefore there is need for the course content metrics standardization.

In conclusion the extent to which metrics for ICT course content and relevance are being used to index integration is rarely used and has not been agreed upon; therefore the mean metric level (2.0) of less frequent use is not formalized therefore may not be used as the true course content relevance existing index.

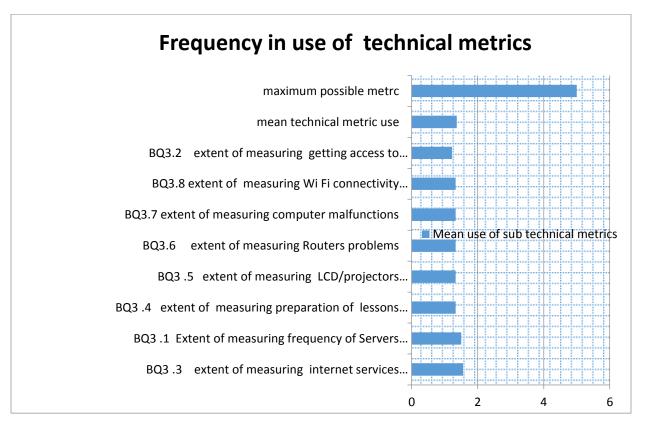
### 4.3 Technical Malfunction

Various UITTPs ,HR, COID, QA (N=36) through interview were asked to rank extent of frequency in use of eight constructs of technical malfunction (TMM) during ICT integration. The findings of Course Content Relevance constructs evaluated are shown in the table 4.3 in appendix section and the details of the descriptive and inferential analysis are as shown in appendix table 4.3 and as discussed below.

### 4.3.1 Descriptive Analysis

The most frequently used TMM was internet access form home (1.56) and then server breakdown at (1.5) on a 1-5 point likert scale, both of which are indexed less frequently.





The mean extent to which (TMM) levels of ICT integration are being indexed was 1.36, implying it is not indexed at all by any university ICT department. However, the rest of the TMM are also not meaningfully indexed at all with a mean of (1.333) each.

#### 4.3.2 Inferential Analysis:

Inferential analysis was done against the null hypothesis; Ho=there is no significant agreement in ranks given to the TMMs by the COID, HR, UITTPs and QA. Kendall's Coefficient of Concordance correlation of observations N=36

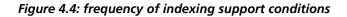
and K =8 showed a very strong positive correlation (W=0.039) or agreement in the ranking of the metrics. A Chisquare test at 90 % significance at df =7 had calculated value of  $X^2$ =9.758 against tabulated value of  $X^2$  = 12.02. Since the calculated chi square value is less than the tabulated value therefore, Ho is accepted implying that there is no significant relationship between the rankings of the various eight TMM. This means that these TMM are independent. This implies that the current use of TMM are not integrated i.e. indexing of TMM is not formalized across various universities. In conclusion there is need for standardizing these metrics for any continuous improvement in indexing to be realized.

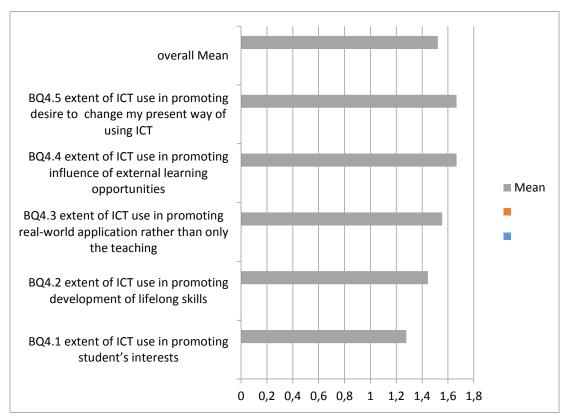
### 4.4 Extent of Indexing Support Conditions Metrics

Various UITTPs ,HR, COID, QA (N=36) through interview were asked to rank extent of frequency in use of eight constructs of support condition metric during ICT integration. The findings on support condition metric constructs evaluated are shown in the appendix table 4.4 and the details of the descriptive and inferential analysis are as shown in table 4.4 in the appendix and as discussed below.

#### 4.4.1 Descriptive Analysis

The most frequently indexed support condition metric were ICT use in promoting influence of external learning opportunities (1.66) and ICT use in promoting desire to change their present way of integration at a mean frequency of less frequent (1.66). While the least frequent was ICT use to promote student interest at a not all frequency (1.277). The distribution is as shown the figure 4.4 below.





The mean frequency of indexing support condition was less frequent (1.55).

# 4.3.5.2 Inferential Analysis

Inferential analysis was done against the null hypothesis; Ho=there is no significant agreement in ranks given to the support conditions metrics use by the COD, HR, UITTPs and QA. Kendall's Coefficient of Concordance correlation was done for observations N=36. The Calculated Chi-square  $X^2 = 9.348$  was greater than tabulated  $X^2 = 9.24$ ; the Ho is therefore rejected meaning that the various support conditions metrics have significant relationship although of a weak agreement of W<sup>a</sup> =0.204. Therefore there is a coordinated agreement that support conditions are being used as a metric. Despite this formalized use of Support metrics , the practice of using these metrics are barely less frequent with a mean below this less frequent of (1.5) meaning that there is its use as a metric but at less frequent level. There is therefore need to improve the support conditions metrics to be used to be frequently as it is already perceived useful by the UITTP. It will be an easier metric to implement and accept because there is an agreement that it is already in use.

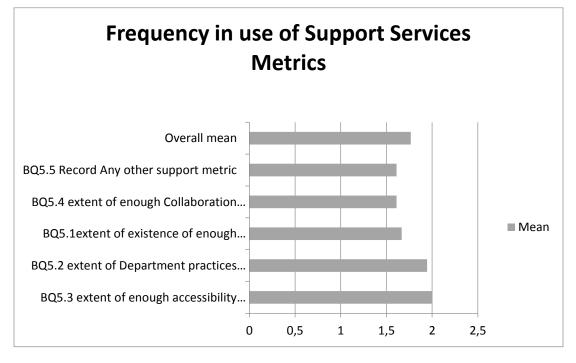
### 4.5 Extent of Indexing Support Services Metrics

Various UITTPs ,HR, COID, QA (N=36) support service metric metrics during ICT integration. The findings of support service metric constructs evaluated are shown in the appendix table 4.5 below and the details of the descriptive and inferential analysis are as shown in table 4.5 and as discussed below.

#### 4.5.1 Descriptive Analysis

The most frequently indexed Support services Metrics is the extent of enough accessibility to ICT (2.0) also at less frequent index. While collaboration (1.66) and extent of existence of enough ICT support (1.61) were the least indexed but at less frequent levels. The details are shown the figure 4.5 below.

Figure 4.5 frequency of indexing Support Service Metrics



The mean frequency of indexing SSM was less frequent (1.77)

## 4.5.2 Inferential Analysis

Inferential analysis was done against the null hypothesis; Ho= there is no significant agreement by the COID, HR, UITTPs and QA on the indexing of support services by universities departments. Kendall's Coefficient of Concordance correlation of observations N=36. Wa =0.032 depicting a weak agreement in ranking or relation and a Calculated Chi-square  $X^2$ =4.667 is less than and a tabulated  $X^2$ =7.78 at df= 4, the Ho: is accepted therefore, there is no significant agreement by the UITTP on the indexing support services metrics in measuring integration by university implying that there is no coordinated or no formalized metrics on how to measure support services in Kenyan universities. Further, support service indexing mean is less frequent (1.8) and there is a weak correlation in the ranks depicting that UITTPs have a view that there is some element of relationship which can be exploited. This is in agreement with the support service metric theorist (Gökoğlu, S., & Çakıroğlu, 2017) who argues that support conditions must be considered during any ICT integration process for the integration to be effective.

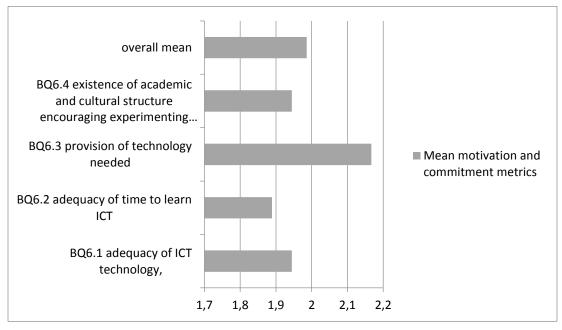
# 4.6 Extent of indexing Motivation and Commitment to Student Learning and Professional Development (MCSLPD)

Various UITTPs, HR, COID, QA (N=36) support service metric metrics during ICT integration. The findings of support service metric constructs evaluated are shown in the appendix table 4.6 below and the details of the descriptive and inferential analysis are as shown in table 4.6 and as discussed below.

# 4.6.1 Descriptive Analysis

The most frequently indexed metric under this category was the extent of provision of technology needed (2.16) followed by adequacy of technology and existence of academic and cultural structure encouraging experimenting both ranked at (1.94) on the 1-5 point likert scale. The details are shown the figure 4.6 below.

# Figure 4.6: Frequency in use of Motivation and Commitment to Student Learning and Professional Development metrics



The mean frequency in use of Motivation and Commitment to Student Learning and Professional Development metrics was 1.99 implying not all metric use but tending towards less frequent use.

# 4.6.2 Inferential Analysis

Inferential analysis was done against the null hypothesis, Ho=There is no significant agreement by the COID, HR, UITTPs and QA on the relationship between teacher motivation variables on their use indexing integration .The

correlation of concordance was Wa =0.044, and calculated Chi-square ( $X^2$ ) =4.80 against tabulated  $X^2$ =6.25 value, this calculated value is less than tabulated value therefore the Ho is accepted. Implying that there is uncoordinated use of motivation and commitment to ICT integration metrics .Even though there is slight or weak agreement (wa =0.044) on their use .Implying that the UITTP are agreeing that if the MCSLPD are indexed then they can positively influence ICT integration .But currently their measurement is less frequent moving towards no measuring at all in some university departments.

### 4.7 Summary

Extent of using the integration metrics by the departments mostly fell at level I and II with a mean of 1.6. This implied that metrics were not generally used at all and in cases where some were used then they were used less frequently. This means that the universities are not aware of their integration problems or strength because if they don't measure them then they can't know (lord kelvin words).

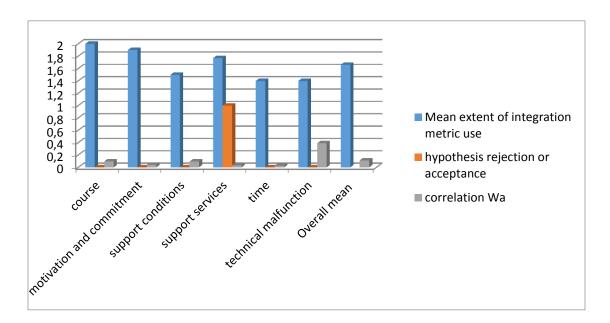


Figure 4.3.7 : Extent of ICT integration Metric Use

Acceptance of hypothesis depicts a discordance or lack of agreement on whether these metrics are being used; this could imply that metrics use for indexing ICT integration in teaching is still a grey area in the Kenyan universities except for support condition metrics in which all the UITTPs are in agreement that it is being used for indexing. It can be concluded that University experts and management are not conscious of integration metrics role in management of teaching despite the increased application of ICT in teaching systems.

## **5.0 CONCLUSION AND RECOMMENDATIONS**

The Study was done by interviewing; UITTPs, HR, COID, QA. It was apparent that use of existing metrics to index integration was generally less frequent with UITTP motivation and commitment metrics and workshop content

relevance metrics being the greatest contributor at (40.8%) and 39.4% respectively. The least contributing metric being technical malfunction metrics at (27.4%). This implies that the university managements do not know whether the ICT investments are worthwhile, neither do they know whether the students are benefiting from the ICT integration efforts. Little is known why they do not measure the ICTs because if we do not measure then we do not know Kelvin (1824-1907) and Wagner et al, (2012).

Kenyan Universities have not thought of developing manual based measures, nor is static software based metric, neither continuous metrics, metrics therefore still a pipe dream. This is in contrast to other industries like financial systems like IFMIS and technological processes. Infact, socio-technical systems are hard hit compared to technical systems. This is probably because of the difficulty in scoping the socio technical systems metrics. The technical systems have less dynamics compared to human –technical systems. With the increased development in the field of Artificial Intelligence and IoT specifically deep neural networks, dynamic systems such as ICT use can be scoped, modeled and implemented in such a way that takes care of socio –technical systems such as usability metrics for integration of ICT and they can be deployed everywhere any time in the teaching learning environment. Even though the existing metrics use rare, it is necessary to conduct further research on extent of suitability of the existing metrics towards indexing ICT integration.

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# Appendix

Table 4.0: Interviewees Bio Data for Existing Metrics Use

		Total number	Sample%	Sample size
IT teaching	private	(at least from all	Convenience - 9	9
professional		of the 5 grades)		
	public	(at least from all	Convenience - 9	9
		of the 5 grades)		
Chairperson of the	private	3	100	3
department (COD)				
	public	3	100	3
HR		6		6
QA		6		6
Total				36

Table 4.1 Existing use of Time metrics as an index

Existing use of Time			% mean	Std.			Mean
metrics	Ν	Mean		Deviation	Minimum	Maximum	Rank
BQ1. 1: extent of	32	1.5000	30.0000	1.21106	1.00	5.00	4.56
adequacy of Free time							
to prepare the lesson							
using ICT.							
BQ1.2 : extent of	32	1.5000	30.0000	1.21106	1.00	5.00	4.56
adequate time for							
Surfing Internet to							
search for							
information,							
BQ1. 3: extent of	32	1.5000	30.0000	1.21106	1.00	5.00	4.56
adequate time for							
Scheming/ organizing							
information for							

teaching.								
BQ1. 4 : extent of	32	1.6875	33.7500	1.35247	7 1.00	5.00	4.63	
adequate time for								
teaching/lesson								
presentation using								
ICT								
BQ1. 5: extent of	32	1.5000	30.0000	1.21106	5 1.00	5.00	4.56	
adequate time for								
Teaching period for								
students.								
BQ1. 6 : extent of	32	1.5000	30.0000	1.21106	5 1.00	5.00	4.50	
adequate time to								
print work at the end								
of the lesson								
BQ1. 7 extent of	32	1.4375	28.7500	1.03078	3 1.00	4.00	4.38	
adequate time to								
operate the								
computers/software								
BQ1.8: extent of	32	1.2500	25.0000	.77460	1.00	4.00	4.25	
adequate time for								
students to settle								
down								
mean use of Time			29.6875					1
metrics as an index		1.4844	29.0075					
	N						32	29.6875
	Kend	lall's W <sup>a</sup>					.029	1
	Chi-S	Square					6.533	1
	df						7	
	Asym	np. Sig.					.479	1
Monte Carlo Sig.		Sig.					.417 <sup>b</sup>	1
		90% Co	nfidence Inte	erval L	ower Bound		.251	1
		1		ι	Ipper Bound		.582	1
a. Kendall's	Coefficier	nt of Conco	rdance				1	<b>」</b>

Table 4.2 Course content relevance metrics

					Std.				Mean
		Ν	Mean	%Mean	Deviation	Minim	um	Maximum	Rank
		36	1.8333	36.6667	1.52128	1.00		5.00	1.86
BQ2 .2: ext the softwar hardware 1	ent to which re and earned during ce is applied in	36	2.2222	44.4444	1.77460	1.00		5.00	2.11
_	how to	36	2.0000	40.0000	1.65616	1.00		5.00	2.03
Test Statis	tics		2.0000	40.3704					
N							36		
Kendall's W	/ <sup>a</sup>						.09	7	
Chi-Square							7.0	00	
df							2		
Asymp. Sig							.03	C	
Monte	Sig.						.06	3 <sup>b</sup>	
Carlo Sig.	90%	Lower Bo	ound				0.000		
	Confidence Interval	Upper Bo	ound				.13	3	
a. Kendall's	Coefficient of	Concorda	nce						

# Table 4.3 Technical malfunction.

Descriptive Statistics								
				Std.	Minimu		Mean	
technical metric use	Ν	Mean	%Mean	Deviation	m	Maximum	Rank	

	requency of	36	1.5000	30.0000	1.18322	1.00	5.00	4.69		
	eaks down									
	xtent of getting	36	1.2222	24.4444	.54043	1.00	3.00	4.25		
	applications									
server	<i>.</i>									
	extent of	36	1.5556	31.1111	1.27491	1.00	5.00	4.69		
	ervices accessed									
from hom					-					
BQ3.4 e		36	1.3333	26.6667	.95618	1.00	5.00	4.47		
	lesson at the									
university										
BQ3.5 e		36	1.3333	26.6667	.95618	1.00	5.00	4.47		
	ctors problems									
	extent of	36	1.3333	26.6667	.95618	1.00	5.00	4.47		
Routers pr					-					
	ent of computer	36	1.3333	26.6667	.95618	1.00	5.00	4.47		
malfunctio										
	ent of Wi Fi	36	1.3333	26.6667	.95618	1.00	5.00	4.47		
connectivi	ty problem									
			1.3681	27.3611						
Test Stati	stics									
Ν								36		
Kendall's \	N <sup>a</sup>							.039		
Chi-Squar	е							9.758		
df								7		
Asymp. Sig	g.							.203		
Monte Sig.								.250 <sup>b</sup>		
Carlo 90% Lower Bound								.131		
Sig.	Confidenc	Upper Bou	Ind					.369		
e Interval										
a. Kendall	a. Kendall's Coefficient of Concordance									

 Table
 4.4 Extent of Using Support Conditions Metrics

Descriptive Statistics								
				Std.			Mean	
	Ν	Mean	% mean	Deviation	Minimum	Maximum	Rank	

BQ4.1 extent of ICT use in	36	1.2778	25.5556	.74108	1.00	4.00	2.78
promoting student's							
interests							
BQ4.2 extent of ICT use in	36	1.4444	28.8889	1.13249	1.00	5.00	2.92
promoting development							
of lifelong skills							
BQ4.3 extent of ICT use in	36	1.5556	31.1111	1.31897	1.00	5.00	2.97
promoting real-world							
application rather than							
only the teaching							
BQ4.4 extent of ICT use in	36	1.6667	33.3333	1.51186	1.00	5.00	3.17
promoting influence of							
external learning							
opportunities							
BQ4.5 extent of ICT use in	36	1.6667	33.3333	1.51186	1.00	5.00	3.17
promoting desire to							
change my present way of							
using ICT							
	•	1.5222	30.4444				

# **Test Statistics**

.

Ν		36				
Kendall's W	√ <sup>a</sup>		.094			
Chi-Square			13.581			
df						
Asymp. Sig		.009				
Monte	Sig.		.000 <sup>b</sup>			
Carlo Sig.	90%	Lower Bound	0.000			
	Confidence	Upper Bound	.062			
	Interval					

a. Kendall's Coefficient of Concordance

Table 4.6 Motivation and Commitment to Student Learning and Professional Development

Descriptive Statistics							
							Mean
	Ν	Mean	% mean	Std. Deviation	Minimum	Maximum	Rank

BQ6.1 adequacy of ICT	36	1.9444	38.8889	1.56651	1.00	5.00	2.50
technology,							
BQ6.2 adequacy of time	36	1.8889	37.7778	1.50765	1.00	5.00	2.39
to learn ICT							
BQ6.3 provision of	36	2.1667	43.3333	1.73205	1.00	5.00	2.61
technology needed							
BQ6.4 existence of	36	1.9444	38.8889	1.60258	1.00	5.00	2.50
academic and cultural							
structure encouraging							
experimenting new ICT							
	-	1.9861	39.7222				

# **Test Statistics**

Ν			36
Kendall's W	/ <sup>a</sup>	.044	
Chi-Square		4.800	
df		3	
Asymp. Sig.		.187	
Monte	Sig.		.167 <sup>b</sup>
Carlo Sig.	90%	Lower Bound	.064
	Confidenc	Upper Bound	.269
	e Interval		

a. Kendall's Coefficient of Concordance

Table 4.7: Summary of Extent of using ICT integration metrics

position	metric	mean extent of integration metric use	% extent of integration metric use	hypothesis rejection-1 or acceptance-0	correlation Wa
1	course	2	40	0	0.097
	motivation and		38		
2	commitment	1.9		0	0.044
	support		30		
3	conditions/Attitude	1.5		0	0.094
4	Support services	1.77	35.4	1	0.032
5	time	1.4	28	0	0.029

ſ		technical		28		
	6	malfunction	1.4		0	0.39
		average	1.64	32.8		0.1308

# Sustainable development

# at the heart of our strategy

## **Giraude Adeossi**

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# Abstract

With trainings and research oriented towards sustainable development since 2006 (Water and Sanitation, Infrastructure, Renewable Energies and Energy Processes), Foundation 2iE is positioning itself as a reference institute that trains innovative engineers-entrepreneurs for the needs and challenges of Africa's development.

Center of Excellence of the UEMOA and the World Bank, CSR is at the heart of the Strategy of the institute which aims to be a showcase in this field in Africa.

Thus, several major actions were carried out from 2009 to 2017:

- A CSR diagnosis which enabled us to take stock of our social and Environmental practices in accordance with the Burkinabe legislation,
- Membership in the global compact of the United Nations and the commitment to communicate our progress on the respect of the 10 principles
- Membership in the conference of the high school of Paris and the publication of two CSR reports according to their CSR reporting framework
- The introduction of the eco-citizenship course for bachelors and the introduction of CSR management for Masters.
- The development of continuous training on climate change, green growth and social green business for the benefit of end-of-training students and public administration officers and project and program managers.

Moreover, 2iE is a member and provides the executive secretariat of the multi-stakeholder forum for CSR in the mining sector in Burkina Faso; with domains of interest such as research and innovation in which engineers can propose local technical solutions for the control of environmental aspects.

The objective of this article taken from the CSR 2016 audit report is to share our sustainable development practices with the organizations participating in this workshop and also to learn from their innovative practices in order to lay the foundations of a network of institutes Committed to the challenges of sustainable development. In order to meet the international requirements for Social and Environmental Responsibility / Sustainable Development, in 2009 the 2iE Foundation joined the Conférence des Grandes Ecoles and in 2010 the Principles of Responsible Management of Education (PRME) of the Global Compact United Nations. The principles of the Global Compact are 10 in number and are grouped into the four main areas:

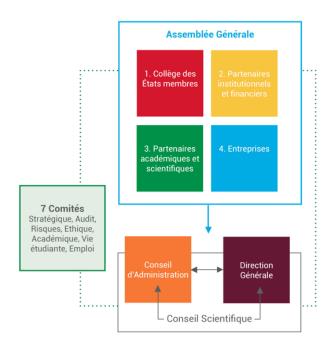
- human rights ;
- labor conditions ;
- the environment ;
- the fight against corruption.

These areas are the same as some evaluation axes of the CGE reference. 2iE then produces annual reports on sustainable development and CSR in order to assess its practices in this area and to compare itself with other member schools

Here are the innovations operated by 2iE according to the axes of the cge / cpu repository.

#### STRATEGY AND GOVERNANCE:

Governance implies the definition of measurable objectives in the short, medium and long term by relevant mechanisms and the resources (human and material) deployed to achieve these objectives. The vision at 2ie is to put sustainable development at the heart of the institute's strategy. At the 2iE Foundation, the Strategic Orientation Plan (POS 2011/2015) is the reference document in this field. It presents 8 specific objectives evaluated through 80 indicators, 20 of which are measured on a biannual basis; With CSR being included in the specific objective 7: "To make 2iE a showcase for social and environmental responsibility in West Africa". To achieve this objective 2iE is based on its innovative model of governance, comprising the following stakeholders: General Assembly (Member States, companies, institutional and financial partners, academic and scientific partners), Board of Directors (Member States) Committees (strategic, audit, risks, student life, ethics, academics, employment).



# EDUCATION AND TRAINING



With research, education and training is the mainspring of the Foundation 2iE. In POS 2011/2015 the specific objective 4 "Training engineers and managers capable of innovating and undertaking to create jobs and respond to the challenges of the Africa of tomorrow" is devoted to the teaching and training.

Training that meets international standards



Center for training and research excellence in the fields of water, environment, energy infrastructure and mining, the Foundation 2iE is the only institute of reference in Africa whose diplomas are accredited by the Commission of Engineer Titles CTI and the EUR ACE Label; The training offer is also ISO 9001 certified. The 2iE Foundation is also a center of excellence of the Community of West African States (ECOWAS), the West African Economic and Monetary Union (UEMOA) ), The New Partnership for Africa's Development (NEPAD) and the World Bank. The establishment is also a member of the World Water Council.

# Sustainable development in trainings

The trades that 2iE form all relate to sustainable development: Bachelors, Masters and PhD in specialties such as Water and Environmental Engineering, Civil Engineering, Energy Engineering and Industrial Processes and ecoinnovation. Nevertheless, in order to make our engineering students aware of the ethical social and environmental issues in order to stimulate a new development model (Green Growth) in their respective countries, we have introduced the following courses: Project Eco citoyen pour les Bachelors 2 and Management of CSR for the Master 1. Every year since 2012, 50 to 70 students in Master 2 benefit from the continuous training "Responsible Entrepreneur" which deals with taking into account the environmental, social and economic stakes in the Strategy in Africa. Indeed, the positive economic growth of many African countries encourages us to train responsible engineers who also benefit from courses such as innovation and creativity, the quality approach in organizations, the sociology of development, the study of Environmental and social impact that equip them with appropriate skills to understand the social responsibility of companies.



Training: Responsible Entrepreneur 2016

# World Bank recruitment program

## Business School – Entrepreneurship

2iE's vision for training is to train engineers-entrepreneurs, and for this purpose, the 2iE Technopole Center for Technological Innovation has developed initiatives such as Junior Enterprise, Entrepreneurial Journey, Green Startup Challenge, Club Let's talk about Development, coaching to the personal professional project the mentoring program and the Business Days.

EU Conference UE on climate change



GSUC Coaches and coordinators 2iE Secretary-General and Director of Technopôle giving price to the 1<sup>st</sup> and 2nde laureates

# **Professional insertion**

Finally, in order to improve the training offerings, vocational integration surveys are conducted twice a year and measure the insertion rate 6 months and one year after graduation. The latest surveys targeting 2015 graduates reported an insertion rate of 44% after 6 months and 72% after 1 year.

Satisfaction surveys are also conducted with companies to collect their opinions on the performance of 2iE graduates, and their skills needs. Data from these surveys are discussed during the Circle of HRD on the occasion of the Business Days; And the recommendations are formulated to inform the new offers proposed by the Directorate of Studies.



5 finalists of ISC

# Winner of ISC 2016

Job Forum Team

# **Business Days**

The Business Days are a forum for meetings and exchanges between students and companies. The eleventh edition of the Business Days brought together 1000 participants, 46 international and national companies and 16 exhibitors. The main activities of this event, which covers 3 days, are: the animation of the stands, the employment forum, the circle of HRDs, the final of "the entrepreneurship journey".



The university Penn-State Stand Interviews between students and companies 1<sup>st</sup> Laureate of the entrepreneurship journey

# SOCIAL POLICY AND TERRITORIAL ANCHORING

The Foundation 2iE is committed to a social policy and sustainable territorial anchorage. This was achieved through the specific objectives 1 and 2 of POS 2011/2015. Specific objective 1 is to "increase student access to 2iE by ensuring socio-economic, linguistic, national and gender diversity".

Specific objective 2 is to "attract and train a world-class faculty and reverse the brain drain".

### Social actions

✤ For Students

Indeed, the 2iE Foundation promotes a human and social policy of parity and diversity among its students and staff through:

- The promotion of fellowship programs, which aims to increase the access of students from different backgrounds to 2iE on an equal opportunity basis in order to promote an excellent cultural, linguistic and social mix. In 2016, there are 1220 students of 23 nationalities, 36% of whom are fellows financed by institutions (AfDB, FAE, World Bank, UEMOA, French Ministry of Foreign Affairs, DAAD ...). Such as the WASH Master.
- The association of the African scientific diaspora in the most prestigious universities in North America, Europe and Asia, which participates in the development of education while ensuring a diversification of the teaching staff.

Also, the 2iE Foundation promotes skills development and internal mobility through:

- The establishment of scientific partnerships with universities in Africa and the rest of the world to ensure the mobility of the teaching staff in order to ensure the valorization and development of skills.
- The implementation of a mobility program for students enabling them to ensure mobility in partner universities at 2iE.

Finally, the 2iE Foundation ensures a policy of quality of life in the establishment for both students and staff through:

- The construction of housing and sports facilities to ensure a peaceful and conducive environment for study;
- A large number of students are housed on the two sites of the Foundation 2iE.

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Apart from students, social policy also targets staff who is an important stakeholder in the institute's viability.

Thus, the legislative and regulatory framework for labor law in 2iE is the Burkina Labor Code, the statutes and the internal regulations of 2iE. It governs employer-employee relations and serves as a basis for the resolution of disputes.

The staff consists of 186 employees of different nationalities with 24% women 17% 2iE graduates. Services such as security, maintenance of the living environment and catering are subcontracted with providers to whom will be popularized our CSR policy so that they also integrate criteria of sustainability in their services. 2iE workers are represented by union delegates (F-Synter and USTB). While the coexistence of these two power stations may have been at times conflictual, it remains above all a sign of democratic vitality and the principle of freedom of association and opinion. This has favored the mutualisation of their energies to find solutions to the crisis suffered by the institute since 2013.

In order to stimulate the motivation of the staff several initiatives have been put in place:

- 80% of the health insurance for management staff and 50% for reimbursement of medical expenses and 80% for the hospitalization of non-management staff.
- The existence of a solidarity mutual which offers material, financial and moral assistance in case of marriage, death and / or birth.
- An annual stipend of CFAF 50 000 per child is granted to 2iE staff. Parents, whose children are studying at 2iE, also benefit from a tuition fee reduction of 25% per year.

To restore the climate of conviviality, a group of staff initiated in 2016 aerobics and football gymnastics sessions that bring together staff and students every Thursday in the afternoon.



Aerobics sessions

soccer party half-time

# **Territorial anchorage**

2iE is resolutely a pan-African institute (16 member states on the board of directors) and internationally oriented (UEMOA pole of excellence, World Bank). Thus, students from 2iE, which has 27 nationalities on site, come from continents Africa, Europe, Asia and North America. It has a network of 7,500 graduates.

In November 2012, 2iE was elected to the Board of Governors of the World Water Council, representing "Professional Associations and Academic Institutions". It has also been identified by the World Innovation Summit for Education (WISE), among the 15 innovative cases in education worldwide.

# Advocacy for CSR

In Burkina Faso 2iE is identified as a pioneer in CSR. In this capacity, he participated as a founding member in the creation of the Multi-stakeholder Forum for Corporate Social Responsibility (CSR Forum). He has been the executive secretary since 2012 (the year the Forum was created). Our commitment to the CSR Forum is to help mining companies optimize their production and have less social and environmental impact; this through research and innovation in which engineers can propose local solutions for the development of this sector.



#### CSR Forum 2017 Annual General Meeting

In order to share CSR concepts with stakeholders other than mining companies, 2iE has developed a partnership with the France-Volunteer association to run CSR-themed cafés every quarter for the sharing of good practices and to propose Expertise on audit-strategy-reporting and CSR communication. These coffee-thematic groups mobilize at each edition about thirty companies and associations of all sectors.



1st and 2<sup>nde</sup> CSR thematic-coffee November 2016 and February 2017

# **RESEARCH ACTIVITIES**



The Research Policy is transversal and multidisciplinary in areas such as: Water, Energy, Infrastructure, Environment) integrated into the institution's strategy (POS 2011/2015 Objective 3) accompanied by a specific HR policy for

researchers Research engineers, 40 doctoral candidates and 104 teacher-researchers with advances in rank and salaries according to CAMES and the salary scale for teachers of 2iE). This specialized human resource is used in research programs with a multi-annual budget commitment financed by 21 institutional and financial partners such as the ADB, the World Bank, Swiss Cooperation, AFD, German Cooperation.... With a regular evaluation policy, a strategy of cooperation with other national and / or international partners.

The 2iE Doctoral School is supported by 60 academic partners and 32 scientific partners. These partnerships facilitate collaboration among research institutions, the mobility of researchers internationally and the transfer of knowledge and technology.

The results of the research are published and awarded each year through the Doctorials, which are presentations of current or completed research by PhD students and research professors. The fruits of the research are also published through the collections of the conference proceedings of the "2iE Scientific Day".



Presidium of Doctorials 2016

2 laureates with the Director of doctoral school

Participants

# **ENVIRONMENTAL MANAGEMENT**

The 2iE Foundation is an African reference on environmental issues. These issues are dealt with in a holistic manner in the specific objectives 4 and 7 of the POS 2011/2015.

Specific objective 4 is to "train engineers capable of innovation and entrepreneurship in order to create jobs and meet the challenges of the Africa of tomorrow".

Specific objective 7 is to "make 2iE a showcase for environmental and social responsibility".

Through the implementation of these two specific objectives of POS 2011/2015, the results of the audit 2016 place the environmental management axis at Level 3 "Compliance with the objectives of the Green Plan" with a score of 35/65.

# Sensitization

Indeed, through the specific objective 4, the 2iE Foundation trains and trains engineers in Africa who have received training focused on preserving the environment. The latter work for the prevention and reduction of environmental damages in their workplace.

Regular series of conferences on global environmental issues are also held for staff and students.

#### Development of environmental management tools

Also in line with specific objective 7, the 2iE foundation has developed the Carbon Identity Card for companies or organizations wishing to know about their greenhouse gas (GHG) emissions. Knowledge of the amount of GHGs emitted helps to set reduction targets and develop mechanisms to achieve them. The 2iE Foundation measures its carbon footprint to reduce its emissions with the Carbon Identity Card. Thus, two carbon balances were carried out in 2009 and 2011.

The comparative analysis of the 2009 and 2011 studies shows that even if the CO2 amount increased from 3896 Teq.CO2 to 4280 Teq.CO2 due to the doubling of the student body (650 in 2009 and 1251 in 2011), the CO2 emissions decreased from 5.99Teq.CO2 in 2009 to 3.42 Teq.CO2 in 2011. This reduction is explained by the communication about eco-actions in the eco-responsibility manual with a view to Limit the consumption at the level of fixed sources, water and electricity indexed in the CIC 2011 (40% of CO2 emissions). The valorisation of eco-materials, especially for the construction of rooms, would also contribute to this reduction.

#### **Energetic transition**

In terms of energy, 2iE has started the process towards autonomy by producing 64 kWh of solar energy, ie 4.4% of its electricity consumption in 2012. By 2016, solar energy represented only 0.75% of the electricity consumption of 2iE.

#### Waste water and solid waste management

The existence of a sewage treatment plant where wastewater is treated, thus offering the opportunity to reuse treated wastewater to water trees and green spaces, reduced water consumption in 2011; Recent studies carried out by (Mandeng, 2012) and (Tongouro, 2012) are currently confirming the proper functioning of the STEP. However, due to the state of the castle's defects, the waters from the STEP are now rejected in nature through the channel passing through the University of Ouagadougou.



#### 2iE's Waste water treatment plant

Regarding (household and similar waste), their management is provided by the company IMMODEV itself subscribing to a contractor for a collection contract.

In order to comply with the SOP 2011/2015, ie "have an integrated waste management policy for the composting of organic waste and the transformation of plastic waste", the vision is to valorisation rather than disposal. Studies on the characterization of waste are initiated and the results in the internship reports and academic projects are quite interesting and deserve to be considered.

#### Preservation of biodiversity

In terms of biodiversity, the forest estate of 2iE is a legacy of biodiversity of extraordinary wealth that must be preserved at all costs. Species useful in all respects such as Sclerocarya birrea, Acacia nilotica, Acacia seyal, Mitragyna inermis etc. Remain there but the last ten years have been marked by the degradation of this ecosystem through the firewood cuts and the samplings by the traditional healers. This situation calls for an awareness of the indigenous population around the forest, its restoration in an academic project and its ecotouristic valorisation.



Deforested area for agriculture



Massive cutting of natural trees



Domain devastated, drainage system networks realized by loosters



Woman leaving the estate after stolen wood from dead trees

# CONCLUSION

After 5 years of implementation of the Strategic Orientation Plan, which has aimed at its specific objective 7 to make 2iE a showcase for CSR in Africa, the results are very positive because many acquisitions can be credited to the account of The will of the top management to maintain the institute in international standards and to involve it in the networks of advocacy and sharing good practices (UN Global Compact, CSR Forum, CSR Thematic Café with France Volunteers). Thus, on the 5 strategic axes proposed by the CGE / CPU reference system, the current performance levels are as follows:

- Strategy and governance: Level 4 Maitrise
- Social policy and territorial anchoring: Level3 Compliance
- Teaching and training: Level 4 Maitrise
- Research: Level 4 Maitrise

#### - Environment: Level 3 Compliance

CSR is a participatory, continuous improvement and exchange of know-how in which the input of all stakeholders (staff, students, donors, service providers, clients) through their Self and enthusiasm, and their creativity can change attitudes and create a new positive dynamic with the benefit of leverage effects.

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# THE ROLE OF BUSINESS AND ENTREPRENEURSHIP IN AFRICA

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#### Abstract

Over the years, entrepreneurship has proven to be one of the key roles towards development. The cycle of business start-ups and growth are linked to the socio-economic benefits of the global world at large.

With a growing world population of over 7billion people, the existence of universities (both public &private) as well as enterprises has increased globally in the 21<sup>st</sup> century. The mission and purpose behind Universities,

Entrepreneurship and Enterprises thrive on development in the areas of capacity building, skill acquisition, training and knowledge amongst others.

Africa alone has a population of over 1.2billion people with about 650 recognized universities and over 140,000 registered businesses (enterprises) in Ghana alone. A case study in Ghana reveals three key drivers towards entrepreneurship and the role university education has played in various business establishments. The drivers are problem statements, resources and research findings. Some of these notions to business include the management of risk, research findings and customer relationship. These are major features that need critical attention and play a role in business and entrepreneurship in Africa.

A major success in business and entrepreneurship is the utilization of the human resource population and the lifeline support given to households in terms of income, while a barrier being the limited access to credit support from the financial companies at the inception stages.

In conclusion, this conference should develop a practical book guide on business start-ups and entrepreneurship knowledge to be used at the various universities in Africa to enhance development.

Entrepreneurship has been seen by many researchers as the driver of the society (Frederick & Kuratko 2010). It is a *process* of designing, launching and running a new business. On the other hand, it might also be the introduction of something which was not previously seen in a country, industry, or market, from another place (Cliff, Jennings & Greenwood 2006).

Indeed, according to Aldrich and Martinez (2001), not all entrepreneurs are "innovators" that offer something new. In fact, many entrepreneurial firms (firms that are owned and run by entrepreneurs) are merely "reproducers": they offer something that is already in existence. A classic example is in the case study of businesses in Africa where so many are 'reproducers' and are engaged in entrepreneurship.

#### Role to the Local Economy

It is suggested by Schmitz (1989) that entrepreneurial activities have a positive relationship with economic activities: the more entrepreneurial activities, the better the economy. Moreover, although it is claimed that entrepreneurial firms create most of the jobs that are available in the market (Birch; 1987), it must be noted that necessity entrepreneurs are just a big part of the group. From the onset, whether an individual is into entrepreneurship for purely profit margins or to promote social value, the fact is that the multiplier effects which will come about as a result of his activities will be highly beneficial to the economy and society. It is important to stress that entrepreneurs are present in all settings.

Entrepreneurship as a whole contributes to social wealth by creating new markets, new industries, new technology, new institutional forms, new jobs and net increases in real productivity. The jobs created through their activities in turn lead to equitable distribution of income which culminates in higher standards of living for the populace. In this way, the resources available to the government will likewise increase and hence enable it to offer social services like hospitals and schools for infrastructure development.

Other studies have also noted other characteristics of successful entrepreneurs like internal locus of control, low aversion to risk taking, aggressiveness, ambition, over-optimism, desire for autonomy, personal values and need for power as major indicators.

#### Role of Research findings at the University level.

Ghana (Africa) has a high population which is youthful and obviously, the government cannot create jobs for all of them; the private sector (businesses) when provided with a conducive environment will go a long way to reducing this number of unemployment. Every year, tertiary students undertake research findings to problems in society. These findings have a link to the utilization of the human resources, natural resources and development of business start-ups. In Ghana, SIFE initiative (Student in Free Enterprises) now ENACTUS, has been a step in the right direction as it seeks to promote entrepreneurship as an alternative to formal employment at the various university institutions. An important aspect of this initiative that comes out is how the culture of entrepreneurship can be promoted; the fact that university students are the movers of the projects enables them to understand the tenets of entrepreneurship, inculcates the spirit of (social) entrepreneurship in them and imbibes in them the option of becoming entrepreneurs and not going into formal employment.

On top of this, the main tenets of entrepreneurship should be a common course for all students so as to equip them with necessary skills like writing a business plan, preparing a proposal to present to investors, how to register a company, general accounting skills and other necessary skills. There is the need to foster human capital between universities and private sector in order to transfer knowledge and ideas, facilitate the entry of new participants with innovative ideas and promote a culture that encourages risk-taking and accepts failure as permissible social and individual norms. Governments should increase the use of technology for efficient service delivery, which is by computerizing most of the processes it takes to start a business and establishing a one-stop-shop for registering a company. In conclusion, this conference should develop a practical book guide on business start-ups and entrepreneurship knowledge to be used at the various universities in Africa to enhance development.

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# Ghanaian tertiary graduates' perception of

# entrepreneurship education on employment opportunities

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#### Abstract

This study focuses on whether entrepreneurship education increases entrepreneurial interest in students to set up new businesses. Entrepreneurship is a core course taken in the third year by all students of Ho Technical University. Out of the 1329 population of level 300 students of the 2016/2017 academic year, data were collected by convenience sampling from 325 (217 males and 108 females) with mean age of 24.75 years from 14 departments of four faculties. The students responded to 43-survey items derived from reviewed literature on a 5-Point Likert-Scale. It is concluded that more than 84% of the respondents agreed that entrepreneurship education informed students about entrepreneurship through the acquisition of practical skills, knowledge about acquisition of personal orientation, knowledge about business management principles and the availability of entrepreneurial support agencies. This shows that the students are highly confident of setting up their own businesses through the knowledge acquired. The study therefore has important implications for policy makers, management of tertiary institutions, students and educational evaluators on how to ensure that tertiary graduates set up entrepreneurship ventures in order to partially solve the unemployment problem in Ghana.

**Key Words**: practical skills, personal orientation, business management principles, entrepreneurial interest, support agencies.

#### INTRODUCTION

The study is to find the effect of students' perception of entrepreneurship education on the employment of tertiary graduates. Hence every economy in the world is putting up procedures to encourage the growth and development of small and medium scale businesses as national development strategy to solve the unemployment problems (Ahlstrom and Bruton 2012; Abdullah and Bin Baker 2000).

Ghana has prioritized accelerated economic growth to enhance the well-being of its citizens through the provision of jobs. This therefore, demands that institutions provide relevant skills to their teeming youth and graduates so as to meet the demands of industry. Due to this developmental objectives, the Ministry of Finance and Economic Planning (MOFEP), the Association of Ghana Industries (AGI), the National Council for Tertiary Education (NCTE), and the Ministry of Trade and Industry (MOTI) have at various national conferences called for the need to build strong and effective linkages between tertiary education and industry (Bawakyillenuo et al. 2013).

One of the ways in realizing this objective is the introduction of entrepreneurship education in tertiary education curriculum. This dream is achievable if the students of entrepreneurship have the attitude, creativity, innovation, prior knowledge and interest to actually execute this programme. Corroborating this statement, Wang and Wong (2004) who focused on personality traits of students pointed out that the entrepreneurial dreams of many students are slowed down by insufficient preparation towards effective entrepreneurship education and the push factor that moves young people to crave for entrepreneurial career (Henderson and Robertson 2000).

Riding on the back of this statement, Onuma (2016) indicated that entrepreneurship education has positive impact on entrepreneurial mentality of young people with respect to their entrepreneurial intentions, employability and finally on the role played in society and the economy. With the high unemployment rate of 16.9% (Ghana Statistical Service 2016), Ghana currently has a national self-employment and small enterprise initiatives agenda, with the hope that knowledge in entrepreneurship education will provide alternative conduits for graduate employment.

#### **PROBLEM STATEMENT**

There is always the talk about entrepreneurship education but not about how the subject is taught in our schools. According to Cooper et al. (2004), entrepreneurship education must shift from learning about entrepreneurship to practicing it. World Bank report states that Ghana's rising unemployment rate is a serious task that as many as 50% of graduates leaving Ghanaian universities and polytechnics could not find jobs for two years after national service, and 20% cannot find jobs for three years. This is likened to the situation in Kenya and Mozambique where majority of tertiary graduates depend on work in the informal sector, which is considered to be inclined to employment (Robb et al. 2014).

It is obvious that the current level of entrepreneurship education in Ghana is somehow insufficient to ensure entrepreneurial interest hence the need to practically concentrate on entrepreneurship education in our institutions (Denanyoh, Adjei and Nyemekye 2015). One may now ask the questions, what is the essence of the entrepreneurship education in tertiary institutions or how is this course taught and learnt? Is it designed to train students to actually establish their own businesses or it is meant to react to situations theoretically? Instructors in the universities are occasionally accused of being too academic and this position does not encourage

entrepreneurship sufficiently (Gibbs 1996), though it is clear that entrepreneurial education in institutions of higher learning is a surest way of acquiring the necessary knowledge and skills about entrepreneurship (Denanyoh, Adjei and Nyemekye 2015).

To situate the traditional method of lecture-based learning, students are taught only about entrepreneurship, rather than teaching entrepreneurship with few activities that could be significant to the exact needs of students (Hunter 2012). This point is also buttressed by students offering entrepreneurship course converge under one roof to be taught by a lecturer who may not have any background in specific disciplines being offered by the students. In view of this, there are strong arguments among Ho Technical University staff that entrepreneurship education should be taught in each department of the various faculties in order to apply the entrepreneurship skills to departmental disciplines. Another issue is that graduating entrepreneurship students who may have acquired some knowledge in entrepreneurship have little or no skills on how to develop a farm, a mobile phone repairing shop, a barbering shop, a food service shop, or a research consulting firm. This action according to Hunter (2012), transcends to the inability of entrepreneurship teachers to focus on introducing technologies and programmes that potential entrepreneur will require to establish a new business.

Currently in Ghana, there is what is called "Unemployed Graduate Association" which may be a an offshoot of the educational system operated during pre and post-independence era, emphasizing liberal education rather than acquisition of vocational and technical skills that prepare school leavers and graduates with competencies for better employment opportunities. Thus, this makes the system focus on and produce unskilled graduates whose numbers are always rising every year without any proportionate provision of employment avenues (Onuma, 2016). Similarly, Development Policy Research Unit (DPRU 2007) posits that many graduates are unemployed because they chose wrong fields of study; quality of education not up to standard, lacked soft skills and their expectations are too high. Unemployment is high not only because there are no jobs at all but because youths, especially well educated ones, face a costly search process earlier in their career as they wish to wait for well-paid jobs in the formal sector (United Nations Economic Commission for Africa, [UNECA] 2005).

#### **Entrepreneurship at Ho Technical University**

Ho Technical University has started the entrepreneurship education since 1993 when the institution metamorphosed into a polytechnic from the then Technical Institute. The idea for the introduction of entrepreneurship at the time was to make polytechnic graduates employable. However, most of our graduates are still waiting to be employed in the formal sector. So the question is what has been the effect of entrepreneurship education on graduates' perception of teaching and learning of the course on employment? The answer to this question may receive response from Adjei et al. (2014) in Darkwa and Nduro (2016) that even though students take a course in entrepreneurship, most of them do not desire to become entrepreneurs for multiple reasons. Alternatively, higher education and vocational institutions may not think about their personal needs, circumstances and situations, and develop curriculum that is based on these needs and publicize this new information through action and participatory programmes to the individuals who actually need it.

Initially the entrepreneurship course started in the second semester of the second year where student personality traits were identified at an early stage. The course in the second year is to ensure that students are made ready with the mindset to show interest and subsequently establishing their own businesses (Adjimah and Akli 2014). This arrangement according to Adjimah and Akli (2014) worked so well that in the first semester of the third year the students knew exactly what business ventures they could veer into. According to Hunter (2012), identifying psychological traits assist successful entrepreneurs to see opportunities that consist of other internal and external factors. He went on to say that the overall orientation, circumstance and personal objects also influence the behavior of entrepreneurs who have a number of positive and negative personality traits that will not direct behavior but be a subsidiary to behavior.

This necessitated the Entrepreneurship Development Unit (EDU) of the Liberal Studies Department to embark on a development project dubbed "From School into Business". In one of these projects, three (3) graduates from the Departments of Building Technology, Civil Engineering and Marketing worked on what is referred to as the Green City Business. They developed paving blocks, erosion checking and landscaping construction and maintenance business with support from the Unit.

#### **RESEARCH QUESTIONS**

Literature shows that entrepreneurship education and training arouse the interest of students to acquire entrepreneurial skills in order to establish their own businesses as a way of minimizing unemployment problems (Thandi and Shama 2004). This confirms the link between education and entrepreneurship (Galloway and Brown 2002; Gorman and Hanlon 1997; Henderson and Robertson 2000; Kolvereid and Moen 1997). Therefore getting sufficient education may ensure entrepreneurial intention of persons in establishing businesses. In Ghana entrepreneurship was not taught as a course in most tertiary institutions until recently (Adjimah 2011) however, there are a lot of activities that point to increasing interest and recognition in entrepreneurship education which may ultimately lead to employability of tertiary graduates. But what concrete steps have the Technical Universities taken to ensure that entrepreneurship education arouses entrepreneurial interest in tertiary students? Responses to the following questions will therefore be vital in this research:

- 1. Are contents considered in the teaching and learning of entrepreneurship education adequate to increase students' entrepreneurial interest?
- 2. How can it be demonstrated that entrepreneurship education is sufficient to arouse the interest of tertiary students in setting up their own businesses?
- 3. Do students have the psychological traits that will assist them to be successful entrepreneurs?

#### **RESEARCH PURPOSE**

The purpose of this study as presented by the European Union (2002) is to find out if students are

- ready to embark on self-employment as a career option
- keen to promote the development of personal qualities such as creativity, risk taking and responsibility
- prepared to learn the technical and business skills that are relevant to entrepreneurship in order to start new business venture.

#### **RESEARCH OBJECTIVES**

The importance of tertiary institutions in developing countries including Ghana is that entrepreneurship education is really an important means that encourages business start-ups among potential graduates (Galloway and Brown 2001). The paper is to investigate if the contents adopted in teaching and learning entrepreneurship education is sufficient. Secondly, it is to demonstrate if the contents arouse students' interest so as to afford graduates to set up their own businesses to partially solve the unemployment problem. Thirdly, the research is to find out if the students have psychological traits and how these assist them to be successful entrepreneurs.

#### LITERATURE REVIEW

Thandi and Shama (2004), posit that entrepreneurship course can certainly increase the level of students' skills on entrepreneurial activities in establishing their own businesses to minimize unemployment problems. Similarly, these findings support the argument of Garavan and O'Cinnede (1994) that educational training can influence the development of entrepreneurial activities. Currently the issue is how to deal with the already large number of unemployed Ghanaian graduates, and also find places for the new graduates into the labour market (Denanyoh, Adjei and Nyemekye 2015). According to them, Ghanaian policies have aimed at strengthening the economic stability through the support for continued decline in poverty levels and designing a competitive business environment through entrepreneurship over the past decade.

#### What is Entrepreneurship?

According Hunter (2012), some authors attempted to come out with a global definition of entrepreneurship and it appears they combined different themes such as creativity and innovation, taking initiative, entrepreneurial intention, ability to develop personal talents, ability to take risk, motivation to perceive, and taking decision and responsibility are high on the agenda. Wennekers and Thurik (1999), defined entrepreneurship as the identification of the readiness and capacity of individuals to notice and create new economic opportunities for products, production methods, organizational schemes and product-market combinations, and introduce innovative ideas in a market. According to them entrepreneurship is a business risk that is taken through the combination of ideas, skills, financial, material and human resources to satisfy business opportunities that are identified either in an existing enterprise or the creation of a new one in a market. Moving away from the behavioral and resources dimension to procedural aspect of entrepreneurship, Hisrich, Peters and Shepherd (2008) cited in Bamfo, Asiedu-Appiah and Oppong-Boakye (2015), defined entrepreneurship as "the process of creating something new with value by devoting the necessary time and effort, assuming the accompanying financial, psychic, social risk, and receiving the resulting rewards of monetary and personal satisfaction and independence". Lambing and Kuehl

(2007) in Afriyie and Boohene (2014), also defined entrepreneurship as involving an individual or group of individuals, an opportunity, an organization, risks taking and application of resources to create a new and profitable venture. Kelley et al (2010), also states that entrepreneurship is a source of providing income when economies cannot supply jobs that will generate salaries and wages and provide positive social value for its teeming youth.

The need to develop culture through entrepreneurship in developing countries not only as a means of job creation but also as a way of integrating entrepreneurial thinking and attitude into society that is not totally open to it is very paramount (Mohanty 2009). Liikanen (2004) in Afriyie and Boohene (2014), also intimated that entrepreneurial culture provides paybacks to society even beyond their business activities. The essence of entrepreneurship to the development and growth of the Ghanaian economy is that, small and medium scale businesses have been the substantive player in domestic activities as the sector is the large provider of employment opportunities. These businesses play a critical role not only at the local and community level but also at the national level as the engine of growth and development for the economy. This entrepreneurial function in economies makes it necessary for more support to ensure the reduction of poverty by contributing greatly to employment. Considering these definitions, entrepreneurship has to do with the acquisition of psychological traits kills by trained people who combine new ideas, risk and available resources (financial, materials and human) and getting the necessary support from industry players to setting up a business for the creation of wealth in an economy.

#### Who is an Entrepreneur?

From the above definition of entrepreneurship, entrepreneurs take high levels of risk to innovate and succeed in setting up businesses through the ability of managing the associated risks. Landau (2015) then proposed types of entrepreneurs that are categorized into four basic characteristics of innovation and risk bearing. Firstly, consolidators are persons who develop businesses on a low innovation, risk bearing platform and aim at consolidating and slowly improving on bringing the least returns. Secondly, gamblers are characterized by low degree of innovation and high level of risk and taking big opportunities in what is done but able to deliver through discoveries for success. Thirdly, the dreamer tries to combine high level of innovation with low level of risk, where without risk the dream cannot be comprehended. Fourthly, entrepreneurs are capable risk managers who neutralize risk though their knowledge and confidence about situations that others may see as high risk and that the amount of risk they are ready to take are circumstantial upon specific conditions. Hunter (2012) in his research has also focused on other types of entrepreneur as craftsmen with blue collar and limited educational background, who desire technical work and encouraged by want of personal autonomy. He went on to say that opportunists are well educated and motivated to build successful organizations and make financial gains whilst inventor-entrepreneur has a strong commitment for new product development and rapid market entry with an orientation towards the future.

#### CONCEPTUAL FRAMEWORK

This research takes a closer look at the fourth definition for an entrepreneur by Landau as one who is capable of managing and neutralizing risks through knowledge and confidence. This conceptual framework is emphasized by

considering Hunter's proposition about an entrepreneur as one who is well educated and motivated. It is the acquisition of this knowledge and confidence that the potential entrepreneurs need to acquire from the entrepreneurship education from the institutions.

#### Entrepreneurship education and training

In an educational setting, entrepreneurship education seeks to improve individual competency level as it attempts to make students to become more skilled and motivated to start and succeed in new ventures (Onuma 2016). For Bird (2002), a common concern among academics is to instill in students, the development of entrepreneurial competencies so as to prepare them for entrepreneurial life. Aderinwale in Bolarin (2012) further described entrepreneurship education as one that transverse the length of business formation, management, diversification and growth and ongoing processes that equip potential entrepreneurs with entrepreneurial skills. The European Union Commission (UNC) (2003), reported that the essence of entrepreneurship is to provide learners with the knowledge, skills and motivation to encourage entrepreneurial success in different types of setting. According to Isaac, Visser, Frirdrick and Brijlal (2000) entrepreneurship is a purposeful intervention by educators in the life of learners to survive the world of business and has its focus on action orientation primarily embodied in teaching students how to develop a business plan (Ronstadt 1985); and ensuring that students are introduced to a number of practical-oriented activities and programmes.

So in a nutshell, entrepreneurship education, is that education which empowers the students to acquire professional and academic skills through practical training that gears towards the creation and establishment of a business venture. Robb et al. (2004) mentioned that a World Bank report has recognized entrepreneurship education and training as the catalyst that could stimulate innovation and promote jobs for university graduates especially in Sub-Saharan Africa where graduate unemployment rates are high. Supporting this assertion, Hunter (2012), indicated that entrepreneurship is the catalyst for creating employment, output growth, technological advancement, import substitution, improvement in the quality of products, export promotion and the supply of products at realistic prices to consumers.

Every year, thousands of graduates from tertiary institutions enter the job market to look for jobs that are nonexistent. The difficulty is not just confronting the existing unemployed graduates but also absorbing the new graduates into the job market (Denanyoh, Adjei and Nyemekye 2015). This may be due to the fact that training which is given to tertiary students does not fully equip them with the necessary skills needed to create jobs (Madumere-Obike 2006; Ahmaewhule 2007 and Nwangwu 2007 in Ekpoh and Edet 2011).

Through experiential learning, entrepreneurship capacity is built mostly by universities and polytechnics that influence career selection of learners to become an entrepreneur. Today, most institutions of higher learning spend large quantity of money designing practical entrepreneurship courses for their students (Denanyoh, Adjei and Nyemekye 2015). This type of learning develops potential entrepreneurs who grow to become more efficient in managing business ventures (Vught 2006). These assertions may, however, not consider the fact that graduates need to have personal characteristics that will support the setting up of businesses. To this, Hunter (2012) posits that persons' general alignment, condition and individual intentions come into play in manipulating entrepreneurs' behaviors who have a number of positive and negative personality traits that will not direct behavior but can be a

subsidiary to behavior. It is imperative to know from this literature and others that entrepreneurship is pivoted around structured learning environment and tools that will support the system and individuals to develop the skills for entrepreneurship. In addition, these working tools which help develop the young graduates in entrepreneurship programmes in terms of their attitudes and skills and not theory that is backed with certificates. Consequently the teaching of entrepreneurship in our tertiary institutions which may be a panacea to the unemployment problem, must motivate the young graduate to combine perception and its explanation with his prior knowledge about creative ideas for product development.

In view of this, tertiary institutions have introduced entrepreneurship course or programme in order to reverse graduate unemployment by giving them the required skills to create new businesses in an attempt to consider self-employment as the sustainable career option (Ekpoh and Edet 2011). Entrepreneurship education therefore cultivates and arouses entrepreneurial processes that ensure the provision of tools, both tangible and intangible, necessary for starting new ventures (Postigo and Tomborini 2002). Clearly, understanding students' perception at higher level of education is an essential stage in this process. Academics also hold the views about what actually constitutes entrepreneurship programme; as to whether entrepreneurship must focus on creating organizations or growing firms or creating values, or innovating ideas for ownership (Vesper and Gartner 1997).

#### **Entrepreneurial Interest**

In a broader outset, entrepreneurship has to do with the acquisition of skills by trained people who combine new ideas, risk and available resources (financial, materials and human) and getting the necessary support from industry players to setting up a business for the creation of wealth in an economy. Entrepreneurship education, according to this paper, is defined as "the whole set of education and training activities within the educational system that try to develop in the students intentions to exhibit entrepreneurial behaviors and show some of the elements that affect intentions, such as entrepreneurial knowledge, desirability of the entrepreneurial activity, or its feasibility" (Linan, 2004). Wilson, Kickul and Marlino (2007) found that entrepreneurship education increases students' interest in becoming entrepreneurs and Illesanmi (2000) confirmed that entrepreneurial education is capable of creating entrepreneurs to have the ability to seek and find business opportunities in their environment. In line with this, Onoriode and Ajokporise (2006) substantiated the efficacy of entrepreneurial education that entrepreneurial interest and performance alleviate poverty and create jobs that leads to employability.

Fayolle (2005) thought that entrepreneurship course or programme produce more entrepreneurship graduates which consequently leads to greater number of students willing to set up their own businesses. This finding is in agreement with Kolvereid and Moen (1997) that graduates who read entrepreneurship are more likely to start new businesses and had stronger entrepreneurial intention than other graduates. Bird (1998) define intentionality as the state of mind that directs a person's attention, experience and action towards specific goal so as to achieve something. Therefore, entrepreneurial action can be classified as an intentional behavior (Bird, 1988; Shapero and Sokol 1982) or intention as a predictor of planned entrepreneurial behavior (Krueger, 1993). Shapero and Sokol (1982) indicated that entrepreneurial intention emanates from the perception of feasibility and desirability of a person that is affected by the cultural and social factors.

Data on the study of the effect of entrepreneurship education on students' interest for self-employability at Ho Technical University were analyzed based on the syllabus which specify support agencies, management principles, personal orientation and practical skills as its contents.

#### **Entrepreneurial Support Agencies**

Introduction of entrepreneurship in tertiary institutions with particular reference to Technical Universities is as a result of the overwhelming problems with unemployment in the country. In this direction, the establishment of entrepreneurial support agencies by government has necessitated the need for most tertiary institutions to roll out entrepreneurship education to train students to acquire some skills for establishing small businesses after school. In spite of these development there are still graduates in the country who do not have jobs and are always looking for the normal white collar jobs which are not existent. This may be due to the fact that most of the students do not have the idea about how these support agencies work for them to seek assistance. This notwithstanding, the Ghanaian economy is yet to achieve the structural transformation required to move the nation into a state of modern, industrialized and prosperous economy through entrepreneurial activities, though Ghanaian entrepreneurs painted a glooming picture about the business environment because they felt strongly that the regulatory set-up was not favorable to the development of local entrepreneurship (Darkwa and Nduro 2016). According to them, the local entrepreneurs intimated that the high interest rates, high taxes and the fact that government policies favour foreign enterprises such that they are always out of business.

In line with this, there are entrepreneurial support agencies such as Export Development and Investment Fund (EDIF), Ghana Regional Appropriate Technology Industrial Service (GRATIS), Ghana Enterprise Development Commission (GEDC), Ghana Export Promotion Council (GEPC), National Youth Employment Programme (NYEP) now Ghana Youth Employment and Entrepreneurial Development Agency (GYEEDA), Youth Enterprise Support (YES), Local Enterprises and Skills Development Programme (LESDEP) and National Board for Small Scale Businesses (NBSSI), but entrepreneurs felt that policy makers are not doing much to support them through the provision of key infrastructural investment such as roads, water sources and electricity supply (Darkwa and Nduro 2016). Corruption and bureaucratic impairments to accessing the support services from these agencies are shrouded in secrecy with the "whom you know" syndrome leading to unethical activities which make potential entrepreneur shy away from establishing their own businesses. In addition, registering and licensing businesses at the Registrar's General Department and the District Assemblies and other regulatory bodies are also cited as barriers as "goro boys" invade these premises.

#### **Business Management Principles**

Providing training to small businesses is a strong element that ensures the development and growth of businesses and promotes the skillfulness and capabilities of participants and also maximizes the business profitability for that matter (Jennings and Banfield 1993). Banks in developing countries take advantage of this training programme and help to build capacity for entrepreneurs by introducing them to topics such as preparing business plans, book keeping, marketing strategies, effective loan application, effective human resource and customer service managements (Bylon Abeeku Bamfo et al. 2015).

Arguably, persons endowed with entrepreneurial skills through entrepreneurial education, acquire and utilize strategic, planning, market penetration, communication and negotiation skills among others to establish new businesses (Onuma 2016). This also encompasses knowledge of entrepreneurial skills and competencies in office management, finance, marketing which are relevant when starting any business venture (Dei-Tumi 2011). The growth of any business also depends on interpersonal paradigm which is almost directly influenced by how large an opportunity a person may have and its dependence on his ability to communicate, collaborate and work with other staff, satisfy customers' needs and even exceeds customers' expectation. In their model, Harrison and Leitch (1994) hinted that entrepreneurship education should be approached as a sub-set of general management, the second as differentiating entrepreneurship from the management of large-scale organization and the third to provide a basis for reintegrating management education and entrepreneurship education. The seven quality management principles in ISO 9000, emphasis customer focus, leadership, engagement of people, process approach, continuous improvement, evidence-based decision making, and relationship management as mentioned by previous literature are incorporated into the entrepreneurship syllabus of Ho Technical University. These are vital parameters that support the measurement of academic instruction of entrepreneurship course in this research. It is in line with this that Ho Technical University students are introduced to business management principles, practical-oriented skills, entrepreneurial support agencies and personal paradigms or orientation, as a way of sensitizing students on is required when they decide to be become entrepreneurs.

#### Effective Practical Skills

Success in entrepreneurship is not just about having a great business idea or better product to sell, though it may guarantee success. However, whether the success extends to the long term depends on certain practical skills. An <u>entrepreneur</u> may naturally possess some of these skills with respect to the other essential skills, but he is expected to cultivate some by himself. Once cultivated or learnt, the skills may have to be adapted to changing business environments to keep the entrepreneur from lagging behind. In a growth-conscious world, entrepreneurship is to stimulate growth, so Baumol (1968) stated that 'we can try to learn how one can stimulate the volume and intensity of entrepreneurial capacity activity'. This statement should become important for policy makers and academicians to focus on the question of why some people choose an entrepreneurial career and others do not. (Denanyoh, Adjei and Nyemekye 2015).

Lecturers and students partnering with industry in applying different pedagogical approaches in entrepreneurial educational studies is vital in the teaching and learning process of entrepreneurial education. This approach emphasizes simulation, role play and experimentation, thus exposing students to grasp close to reality experiences. This opportunity will also expose students and lecturers to successfully practising business people who would share their experiences on regular basis and at the same time serve as ideal training ground for job creation (Dei-Tumi 2011). With such competencies, potential entrepreneurs will be in position to create employment opportunities, reduce high level of unemployment among the youths (Onuma 2016) where tertiary institutions play key roles as entrepreneurial nucleus, connecting researchers, students, entrepreneurs, business enterprises and other stakeholders (Afriyie and Boohene 2014). In another instance, entrepreneurship objectives are aimed at changing students' behaviors with the idea of making them understand entrepreneurship and for them to become

entrepreneurs which will result in the creation of new businesses as well new job opportunities (Fayolle and Gailly 2005).

#### Personal Orientation

Personal talents, abilities, skills and intelligence assist a person to pursue his life goals according to his interest, motivation and temperament enabling him to initiate physical or mental things which are developed through learning. However, wrong attitude and temperament which encompass the ability to manage talent and maintain perseverance may cause many talented careers to fail (Hunter 2012). Linking personal talents, abilities and temperament closely with personal creativity, the potential young entrepreneur has a great role to play in managing self if he wants to succeed in his entrepreneurial venture. The fact therefore is that personal qualities such as creativity, innovation and spirit of initiative are useful to everyone in their working activities and daily lives (Afriyie and Boahene 2014).

Gibbs and Lyapunov (1996) in Afrivie and Boohene, suggest that an entrepreneurial culture such as beliefs, values, attitudes and behavioral norms need to be cultivated to support SMEs. Afrivie and Boohene also confirm that entrepreneurship education and entrepreneurial culture are instruments that make an individual act in a particular manner. Thus the student who desires to be an entrepreneur must exhibit entrepreneurial alertness which is the ability to be sensitive to information about objects, incidents and patterns in the environment where ideas and possible opportunities can be constructed (Hunter 2012). Hunter again hypothesized that motives push people to perceive, think and act in specific ways that attempt to satisfy needs. This he said, often stays unconscious in a person, as the person does not know exactly what he wants. However, these motives remain powerful influence behind his thoughts, feelings and behaviors. He continues to say that the element of creativity which again expresses itself through other aspects and talents is a competence that gives a person the ability to make connections between unrelated things, thus creating new ideas, concepts through what is called innovation. Raposo and Paco (2000) cited in Afrivie and Boohene (2014), discovered that entrepreneurship education is not just about teaching someone to run a business but also about encouraging creative thinking and promoting a strong sense of self-worth and empowerment that is desirable for economic growth and development. Those who are extrovert and have leadership qualities are able to bring others on board and tend to acquire knowledge they themselves lack (Hunter 2012). This explains that those who wish to build a large organization can do so if they tend to trust others who may be more open for creativity and innovation in a bid to expanding the organization or otherwise deciding to work by oneself and have a small organization because of mistrust.

#### METHODOLOGY

This is a quantitative research with data collected through a survey mechanism. The 2016/2017 level 300 students were considered for this survey because the entrepreneurship course is taken in the first and second semesters at this level. Adopting convenience sampling method, a sample size of 325 students (217 males and 108 females) were taken out of the 1332 total population of level 300 students in Ho Technical University at a significant level of 5%. Convenience sampling technique was employed because participants from the population were those that were readily available at the time of administering the questionnaire during the revision week for the end of the

second semester examinations. The questionnaire had two sections: A- Demography of students, Students' business relationship and experience and Parents' business experience; Section B comprises Personal Orientation, Entrepreneurial Interest and Entrepreneurship Education and Training which required knowledge on Practical Skills, Support Agencies, Business Management Principles and Personal Orientation as the sub-headings. Responses to this section were obtained on a 5-point likert-scale ranging from strongly agree to strongly disagree with a score of 5 treated as strongly agree.

#### ANALYSIS AND RESULTS

Two (2) National Service Persons who were well-briefed were engaged to administer the self-designed 43-survey item derived from reviewed from literature (Hunter 2012; Adjei, Pinkrah, and Denanyoh 2014; Denanyoh, Adjei, and Nyemekye 2015) to the students in their various departments after the items were pretested on seventy (70) students and ten (10) National Service Persons to correct some items that were ambiguous and remove those that did not have any impact on the subject matter. Two (2) staffs of the University subsequently validated the items and found them very suitable for the research. A mean score of greater than or equal to three (3) is associated with an agreement whereas a mean score of less than three (3) is considered as a disagreement (Kubiszyn and Borich 1996). The reliability test of the research items used the internal consistency technique by employing Cronbach Alpha Coefficient which has a reliability coefficient of 0.923 at 5% significant level as indicated below. Using the SPSS 20.0 version for the analysis, the high coefficient implies a high consistency among the measured variables.

#### Sections A

Results from the research show that out of the sample size of 325 students, the male constituted 66.8% and the females constituting 33.2% with a mean age of 24.8. Seventy-three percent of the respondents' mother have onewoman business whilst 36.3% of the respondents' father have a one-man business but only 42% help someone to do business. Meanwhile Wang and Wong (2004) explained that entrepreneurial interest of students in Singapore is based on family business experience and educational level. Other studies, such as Henderson and Robertson (2000) and Denanyoh, Adjei and Nyemekye (2015) showed that family was a factor influencing career choice of students, after their personal experience. Students, however, did not take advantage of their parents' businesses to enhance their entrepreneurial interest and skills even though they admitted to possess the gualities of and psychological traits for entrepreneurship. In addition, seventy-five percent of the students do not run any small business of their own and 58% do not help anyone to run small businesses. This result contradicts Scott and Twoney (1988) assertion that parental influence and work experience are significant factors for one to become an entrepreneur, therefore students of Ho Technical University deviate from being entrepreneurs. Furthermore, only thirty-five percent of respondents attended an entrepreneurship fair organized by the institution on 23rd May, 2017, an indication that students did not consider this fair as a vital ingredients in becoming an entrepreneur. Students in Free Enterprise (SIFE) was one of the clubs and societies that existed on campus. In 2009, SIFE won the National Tertiary Entrepreneurship competition for two consecutive times and represented Ghana in Germany. Currently, there are no clubs and societies on campus that encourage students to go into entrepreneurship after school, so

students do not have any experience in peer business relationships. However, Ngosiane (2010) in his work on promoting an entrepreneurial culture in Kenya, revealed that entrepreneurship education can help promote entrepreneurial culture through the formation of clubs on the various university campuses (Afriyie and Boohene 2014).

#### Section **B**

#### Personal Orientation

At least 92% of the sampled students agreed to the fact they possess personal orientation for embarking on entrepreneurship activities. Personal orientation was measured by items such as "I am motivated to perceive, think and act in specific ways to satisfy business needs (93%); I am sensitive to information about objects, incidents and patterns in the environment where ideas and opportunities can be constructed (93%); I make connections among unrelated things to create new ideas and concepts through innovation (95%); I discover and relate incoming information/opportunity with familiar knowledge already known (95%); I like taking initiative after a decision (91%); I have natural aptitudes, abilities, skills and intelligence to help me pursue my life goals (85%); I am able to communicate, collaborate, and work with others (90%)". According to Hunter (2012), personal paradigm act to shape or handle information going into the psyche where intellectual decision take place. This personal orientation, with particular attributes on how one sees an opportunity, get it appraised and acts upon it has great influence over decision making and behavior. In fact, personal qualities such as creativity, innovation and spirit of initiative that are relevant to entrepreneurship can be useful to everyone in their working activities and daily lives (Afriyie and Boohene 2014). From the above results and discussion, students have psychological traits that assist them to be successful entrepreneurs. (See results in Appendix I on page 33)

#### Entrepreneurial Interest

Even though 35 % of the sampled students did not attend the entrepreneurship fair organized by the school, 75% did not own personal businesses and only 42% helped someone to do business, more than 89% of them agreed to all items that measured entrepreneurial interest such as "setting up a business is one of my interests/targets (95%); I want to be an employer in the future (92%); I have seen myself becoming an entrepreneur in the future (96%); I am ready to face challenges in sustaining a new business (94%); I don't fear to take business risk (89%); unavailability of start-up capital does not scare me of becoming an entrepreneur (91%); I know that entrepreneurship is one of the solutions to my unemployment problem (93%)" shows that the students have acquired some level of knowledge that can propel them in establishing business ventures. These results therefore confirm the findings of a study conducted by Ekpoh and Edet (2011) that entrepreneurship education impacts positively on entrepreneurial intentions of tertiary students which leads to an increase in the level of students' knowledge in entrepreneurial processes.

The results are statistically significant indicating that entrepreneurship education is sufficient to arouse the entrepreneurial interest of tertiary students to establish their own businesses. (See results in Appendix I).

#### **Entrepreneurial Education**

#### Transmission of information on effective teaching and learning mechanism

More than 85% of the respondents agreed that the lecturer adopted effective transmission mechanism in entrepreneurship education. This is measured using items such as "the teaching and learning of entrepreneurship gives me the desire to establish a business (85%); my lecturer challenged me to prepare business plans (90%); the lecturer relates the entrepreneurship to my area of specialization/programme (91%); the practical input for the teaching and learning entrepreneurship course is adequate (86%)". To give credence to this result Adjei, Pinkrah and Denanyoh (2014) found that entrepreneurial support, appropriate teaching methods and exposure to rich course contents were the factors that support starting up businesses by graduates.

#### Transmission of information on Management Principles

Not less than 89% of the students agreed that introduction to the principles of management in entrepreneurship is appropriate. This principle is measured by items such as" my lecturer taught me how to advertise products and/or services of a business (91%); I was taught about how to market products or services to targeted audience (89%); my lecturer introduced me to keeping account books (88%); the lecturer mentioned how to relate with customers when I set up a business (91%); the lecturer took me through the culture of organizations and its development (91%); the lecturer mentioned the need on how to relate to staff in an enterprise (92%); I was introduced to risk factors that is associated with entrepreneurship (91%)".

#### Transmission of information on Entrepreneurial Support Agencies

Not less than 87% of the students agreed that the lecturer introduced them to entrepreneurial support agencies which was measured by "the lecturer introduced me to some regulatory agencies to support my desire in entrepreneurship (84%); my lecturer told me about the financial support agencies for my entrepreneurship activity (87%); I am informed about technical/professional support agencies to set up a business (89%)".

#### Information on acquiring psychological traits

Not less than 94% of the students agreed that the lecturer made them aware that psychological traits is a factor in entrepreneurship which was measured by items such as "the lecturer told me that creativity and innovation have bearing on entrepreneurship (95%); The course reveals that prior knowledge into an idea is a factor in entrepreneurship (94%); I have been informed that entrepreneurial intention is vital in establishing a business (94%)".

Therefore, all the four parameters on the content of entrepreneurship education are statistically significant at alpha level of 0.05, hence the course exposed students' knowledge in entrepreneurship. (See results in Appendix I on page 35).

#### CONCLUSION

It is therefore concluded that though students according to the study did not exhibit personal involvement in entrepreneurial activities such as having personal businesses, helping people with business ventures, not attending entrepreneurship fairs and not belonging to entrepreneurial clubs

- i. the instructional method adopted by the lecturer in teaching and learning entrepreneurship in relation to the contents exposes them to knowledge for establishing businesses.
- ii. entrepreneurship education is sufficient to arouse the entrepreneurial interest of tertiary students to create and sustain their own businesses.
- iii. they possess psychological traits (personal orientation) that will assist them to go into entrepreneurship.

#### LIMITATIONS

Questionnaire were administered when students were preparing to write their second semester examinations. It is therefore believed that respondents may not have taken their time to answer the items in the questionnaire which may affect the results.

#### **RECOMMENDATION AND WAY FORWARD**

Based on the strong concluding points from the research, it is indicative that graduates of the Technical Universities over the years have what it takes to enter into entrepreneurship though they did not take advantage of existing opportunities that are available. A further research will therefore be conducted to find out if tertiary graduates are really taking advantage of this rich knowledge and skills imparted to them by the lecturers to set up business ventures or if there are any other mitigating factors that are hindering the setting up of business ventures. This further research will also consider to finding out why they fail to take advantage of the existing opportunities. Since entrepreneurship education helps to promote entrepreneurial culture the formation of clubs on the various university campuses needs to be taken seriously.

Also, students must be encouraged to help friends and families who are into small businesses and take industrial attachment as a serious entrepreneurial and professional venture. To this end, any attempt by students to engage in some kind of small businesses should attract marks that must be factored into the students' final grade point average and industrial attachment marks should be computed into the Final Cumulative Grade Point Average (FCGPA) of the student.

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### Appendix I

#### **Reliability Statistics**

Cronbach's Alpha	N of Items
.923	33

# Personal Orientation

#### **Binomial Test**

		Category	Ν	Observed Prop.	Test Prop.	Exact Sig. (2-tailed)
	Group 1	<= 2	21	.07	.50	.000
X11	Group 2	> 2	300	.93		
	Total		321	1.00		
	Group 1	<= 2	23	.07	.50	.000
X12	Group 2	> 2	294	.93		
	Total		317	1.00		
	Group 1	<= 2	26	.08	.50	.000
X13	Group 2	> 2	292	.92		
	Total		318	1.00		
	Group 1	<= 2	23	.07	.50	.000
X14	Group 2	> 2	288	.93		
	Total		311	1.00		
	Group 1	<= 2	21	.07	.50	.000
X15	Group 2	> 2	295	.93		
	Total		316	1.00		
	Group 1	<= 2	16	.05	.50	.000
X16	Group 2	> 2	299	.95		
	Total		315	1.00		
	Group 1	<= 2	15	.05	.50	.000
X17	Group 2	> 2	295	.95		
	Total		310	1.00		

# Entrepreneurial Interest

# **Binomial Test**

		Category	N	Observed Prop.	Test Prop.	Exact Sig. (2-tailed)
	Group 1	<= 2	15	.05	.50	.000
X18	Group 2	> 2	306	.95	t.	
	Total		321	1.00		
	Group 1	<= 2	25	.08	.50	.000
X19	Group 2	> 2	297	.92		
	Total		322	1.00		
	Group 1	<= 2	13	.04	.50	.000
X20	Group 2	> 2	309	.96		
	Total		322	1.00		
	Group 1	<= 2	20	.06	.50	.000
X21	Group 2	> 2	303	.94		
	Total		323	1.00		
	Group 1	<= 2	36	.11	.50	.000
X22	Group 2	> 2	285	.89		
	Total		321	1.00		
	Group 1	<= 2	29	.09	.50	.000
X23	Group 2	> 2	293	.91		
	Total		322	1.00		
	Group 1	<= 2	24	.07	.50	.000
X24	Group 2	> 2	297	.93		
	Total		321	1.00		

# Entrepreneurial Education

## **Binomial Test**

		Category	Ν	Observed Prop.	Test Prop.	Exact Sig. (2-tailed)
	Effective Teaching					
Var	Group 1	<= 2	120	.38	.50	.000
X25	Group 2	> 2	193	.62		
	Total		313	1.00		
	Group 1	<= 2	46	.15	.50	.000
X26	Group 2	> 2	270	.85		
	Total		316	1.00		
	Group 1	<= 2	33	.10	.50	.000
X27	Group 2	> 2	283	.90		
	Total		316	1.00		
	Group 1	<= 2	27	.09	.50	.000
X28	Group 2	> 2	289	.91		
	Total		316	1.00		
	Group 1	<= 2	43	.14	.50	.000
X29	Group 2	> 2	272	.86		
	Total		315	1.00		
	Support Agencies					
X30	Group 1	<= 2	52	.16	.50	.000
	Group 2	> 2	265	.84		
	Total		317	1.00		
	Group 1	<= 2	42	.13	.50	.000
X31	Group 2	> 2	270	.87		
	Total		312	1.00		
	Group 1	<= 2	33	.11	.50	.000
X32	Group 2	> 2	278	.89		
	Total		311	1.00		
	Management Principles					
X33	Group 1	<= 2	29	.09	.50	.000
	Group 2	> 2	284	.91		
	Total		313	1.00		
V 7 4	Group 1	<= 2	33	.11	.50	.000
X34	Group 2	> 2	277	.89		

I	Total		310	1.00		
	Group 1	<= 2	38	.12	.50	.000
X53	Group 2	> 2	277	.88		
	Total		315	1.00		
	Group 1	<= 2	27	.09	.50	.000
X36	Group 2	> 2	289	.91		
	Total		316	1.00		
	Group 1	<= 2	29	.09	.50	.000
X37	Group 2	> 2	285	.91		
	Total		314	1.00		
	Group 1	<= 2	26	.08	.50	.000
X38	Group 2	> 2	291	.92		
	Total		317	1.00		
	Group 1	<= 2	27	.09	.50	.000
X39	Group 2	> 2	288	.91		
	Total		315	1.00		
	Psychological Traits					
	Group 1	<= 2	16	.05	.50	.000
X40	Group 2	> 2	301	.95		
	Total		317	1.00		
	Group 1	<= 2	18	.06	.50	.000
X41	Group 2	> 2	300	.94		
	Total		318	1.00		
	Group 1	<= 2	18	.06	.50	.000
X42	Group 2	> 2	298	.94		
	Total		316	1.00		
	Group 1	<= 2	52	.16	.50	.000
X43	Group 2	> 2	264	.84		
	Total		316	1.00		

# Universities Third Mission and Business Incubation: Cooperation between Universities and Business Incubators Demonstrated with the Example "Digital Hub Region Bonn"

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### Abstract

Higher Education Institutions (HEIs) should, on the one hand, provide theoretical and practical knowledge to students and, on the other hand, make valuable contributions to theoretical knowledge and provide new insights by means of research. However, HEIs have to face changing and increasing demands with respect to what they are expected to achieve. Education and research issues are no longer enough, what matters today is the so called "third mission". A specific example for implementing a third mission is the cooperation between HEIs and business incubators. With this in mind, a local consortium consisting of regional HEIs, e.g. Bonn-Rhein-Sieg University of Applied Sciences, as well as public and private institutions and partners initiated and established an incubator hub for the region Bonn/Rhein-Sieg in 2016, called "Digital Hub Region Bonn". This conference contribution reports on our experience with regards to this cooperation approach resulting from the above- mentioned case. Furthermore the pros and cons as well as some issues of this kind of cooperation will be discussed. Last but not least this paper initiates the opportunity to share and compare the experiences of other university business incubators in Africa as well as in Germany. As we will describe, the financial investment of HEIs in a joint-incubator with other public as well as private partners offers substantial benefits, such as mutual know-how transfer from HEIs to the economy and vice versa. This strengthens entrepreneurial mindsets and activities and contributes to the development and growth of the local economy. Consequently, this cooperation sometimes creates challenges at various levels, for example due to differing interests between HEIs and business partners. This conference contribution offers approaches to solve these issues and to support private public partnership in business incubation.

### Introduction

According to our traditional and general understanding universities, so called Higher Education Institutions (HEIs), should, on the one hand, provide theoretical and practical knowledge to students in order to prepare them for promising careers and, on the other hand, make valuable contributions to theoretical knowledge and provide new insights by means of research. However, as economic and social institutions in general are subject to change processes sometimes, HEIs have to face changing and increasing demands with respect to what they are expected to achieve. Education and research issues are no longer enough, what matters today is a so called "third mission" (e.g. Jaeger and Kopper 2014; Roessler, Duong and Hachmeister 2016).

Although a general accepted definition of universities third mission is still to be established it can be "understood as a process of regional engagement and the interactive support of regional development processes, based on a range of multiple contributions and the cooperation of HEI and HEI-region" (Jaeger and Kopper 2014, p. 97). Of course the third mission is closely related with the two other core functions of universities; however it focuses on direct exchange and strives to strengthen interactions between HEIs and other society members and institutions. Examples range from HEIs showing actions associated with corporate social responsibility or cooperating with companies as well as engaging in further education (Roessler et al. 2016).

Another specific example for implementing a third mission is the cooperation between HEIs and business incubators. A business incubator "… holds out the possibility of linking talent, technology, capital, and know-how to leverage entrepreneurial talent, accelerate the development of new technology-based firms, and speed up the commercialization of technology …" (Mian 1996, p. 191). Emerging businesses receive support from incubators at the very beginning of the enterprises, e.g. with respect to developing several relevant business plans, to team building or by offering necessary administrative services, equipment and office space. As every incubator is, on the one hand, able to offer standardized support to some extent, there are also individual services which are unique to the respective incubator and only available for the start-ups under consulting (Grimaldi and Grandi 2005). The positive impact resulting from business incubators' support to small business is a decrease in failure rates of those businesses (Wonglimpiyarat 2016).

In spring 2016, the State Government of North Rhine-Westphalia (NRW) published a call for proposals - titled "Regional platforms for the digital economy in North Rhine-Westphalia". The objective of this program is the establishment and operation of a regional incubator and accelerator for new digital business ideas. These so-called DWNRW-hubs are intended to be a nucleus for the cooperation between start-ups, industry and medium-sized companies in order to foster the development of new digital business models. According to this call a local consortium consisting of regional HEIs, e.g. Bonn-Rhein-Sieg University of Applied Sciences (BRS University), as well as public and private institutions and partners initiated and established a hub for the region Bonn/Rhein-Sieg in December 2016, called "Digital Hub Region Bonn".

This paper reports on our experience with regards to this cooperation approach resulting from the abovementioned case. Furthermore the pros and cons, issues and challenges of this kind of cooperation are discussed. Last but not least this paper offers the opportunity to share and compare the experiences of other university business incubators in Africa as well as in Germany.

### The Digital Hub Region Bonn AG

As previously mentioned, as a result of the call for DWNRW-hubs a local consortium was formed in order to establish a regional hub in the Bonn/Rhein-Sieg area. Partners of this consortium are Bonn University, Bonn-Rhein-Sieg University of Applied Sciences, Bonn/Rhein-Sieg economic development agency, the Chamber of Commerce, a group of private investors and local medium-sized companies as well as global players located in the region of Bonn. The partners contributed more than 2.5 Mio. € which will be matched by approx. 2.5 Mio € invested by the State Government of NRW over a period of five years. In total the hub has more than five Mio. € available in order to operate the hub and to invest in promising ventures.

The partners chose a stock corporation (AG), for the legal form of the hub so as to match the different interests of the partners involved as well as the requirements of the project sponsor.

The Digital Hub Region Bonn is the focal touchpoint for regional business operations. It is an incubator and accelerator for innovative digital start-ups and a transfer center for new digital products/business models for industry and small and medium-sized businesses.

The purpose and scope of this hub is, in detail:

(1) ... the development of a regional start-up ecosystem for digital start-ups in order to connect digital start-ups with science and the economy;

(2) ... the operation of a digital hub for the support and promotion of entrepreneurship in the Bonn/Rhein-Sieg region;

(3) ... providing knowledge and technology transfer, through the transfer of professional and academic knowledge and consulting services to young companies and vice versa;

(4) ... providing seed financing to promising start-up enterprises in the field of digital economy and digital transformation.

The Digital Hub Region Bonn offers the following services:

### a. Networking

The hub is the starting point for digital topics throughout the region of Bonn. In addition to a wide range of digital events, the Digital Hub Region Bonn is a development and meeting point for digital start-ups, companies, science and research, such as the grand opening with more than 350 guests or the Summer Slam with more than 1300 participants. Besides this the hub currently hosts daily events from corporate innovations meetings to hackathons, bar camps or meetups. Roughly six months after its foundation the hub seems to be successfully established and accepted among start-ups, established companies as well as the public in the region of Bonn.

b. Funding

One of the major challenges young, digital start-ups have to face is finding an appropriate source of funding. The Digital Hub is able to offer a broad network of well-known and experienced investors, business angels as well as large investment funds such as the High Tech Gründer Fond, one of the most prominent public investment funds for young talented start-ups in Germany. Besides the hub is also able and willing to invest it's own financial resources for promising new ventures.

c. Infrastructure

In order to promote further development the hub intends to rent offices of approx. 1,000 square meters in the region of Bonn. This facility will be split up into different sized offices, co-working spaces, lecture halls and meetup places.

### d. Mentoring & Coaching

The Digital Hub Region Bonn supports founders by offering mentoring & coaching services. The experienced network partners of the hub are willing to support young start-up ventures as coaches or mentors sharing their business know-how as well as their business networks. Thus the hub is able to provide a network of marketing agencies, , IT-solutions, tax and legal support for the founders if necessary.

e. Collaboration Space

Besides the above-mentioned services the Digital Hub Region Bonn serves as a touchpoint and collaboration space for medium-sized enterprises and start-up companies. These "innovation factories" offer infrastructure for incubation projects and joint venture projects between local SME's and start-ups as well as a corporate start-up campus in order to develop innovative digital business models for medium-sized enterprises.

### Benefits for Bonn-Rhein-Sieg University of Applied Sciences

According to the above-mentioned third mission, one of the main tasks of HEIs is the sustained development of support structures for the transfer of knowledge and technology to society in the form of new business ventures and the promotion of the local development of a digital economy. BRS University takes the role of a local innovation driver. This is the reason why BRS University has become one of the shareholders of the new hub. Bonn-Rhein-Sieg University of Applied Sciences was founded in 1995 (for further information see Hochschule Bonn-Rhein-Sieg n.y.). One of the main goals of the university at that time was to support the regional development in the greater Bonn/Rhein-Sieg area. According to the current university development plan (HEP II) regional knowledge and technology transfer is still one of the central strategic guidelines of the BRS University (Hochschule Bonn-Rhein-Sieg 2016).

Participating in the Digital Hub Region Bonn will provide new opportunities of collaboration for the university in different areas:

1. The cooperation with the Digital Hub Region Bonn offers students, employees and professors the opportunity to elaborate and implement new digital business ideas within the framework of an inspiring incubator ecosystem. The BRS University provides know-how as well as a base for new ventures and their future development.

2. Reciprocally BRS University gains new knowledge and insights from the start-up community. This could result in the latest trends from the digital economy spilling over into the research work of the BRS University and thereby lead to new research approaches and results.

3. With reference to the hub's consulting services, the university supports the development of companies located in the incubator and thus could become a prominent player promoting the regional economy.

4. As a core aim the hub plans to implement an intense cooperation with medium-sized companies already operating in the field of digitalization. Here again, the collaboration of universities with the Digital Hub Region Bonn supports the basic strategic concept of regional development.

5. Within the scope of the hub's planned "start-up academy" the BRS University offers further educational training for (starting) founders e.g. in the form of appropriate seminar offers. BRS University is further planning to set up an MBA study program with a major in start-up development for digital ventures in cooperation with the Digital Hub Region Bonn.

### Challenges

Founding, setting up the incubator and making a financial contribution to the hub brings about challenges to a public institution such as a HEI. These comprise of:

a. General resistance within the BRS University (HEIs as research and teaching institutions vs. economic activity)

The most severe criticism is concerned with the question, whether public institutions as universities should invest public money into private profit oriented companies. Critics argue that universities activities should be restricted to the development and dissemination of academic and scientific knowledge and to the education of young people. This actually does not include investing financial resources (gained through taxation) into financial ventures. These financial means should be spent for research and teaching purposes only.

b. Legal problems (University Act (HG), Stock Corporations Act (AktG))

The above-mentioned critical issues are in line with what is stated in the University Act of North Rhine-Westphalia (UA) (Hochschulgesetz NRW (HG)). According to the University Act § 3 (1) universities' task are to increase scientific insights and promote the development of sciences by e.g. research, teaching and transfer of knowledge. Furthermore they are also supposed to prepare students for professional activities at home and abroad, which require the application of scientific knowledge and methods.

In (UA) § 5 the financial procedures and economic practices of universities in North Rhine-Westphalia (NRW) are defined. In general the state funding of universities is based on their tasks according (UA) § 3 (§ 5 (1)). According to (UA) § 5 (7) HEIs may only set up, adopt, expand or participate in companies (universities business activities) if:

- 1. purposes of research and teaching, transfer of knowledge, exploitation of research results or other purposes within the scope of the tasks pursuant to § 3 justify this,
- 2. the company is relevant to the university's performance or to the anticipated needs,
- 3. the university has a reasonable influence in the corporate bodies and
- 4. the financial contribution from the university has to be made from its free reserves and the liability of the university is limited to an amount appropriate to its financial ability.

(UA) § 5 (7) further states that an entrepreneurial activity of universities is only allowed within the scope of the tasks pursuant to § 3 if this purpose cannot be achieved by other companies.

These paragraphs, especially §5 (7) lead to limitations that have to be reflected in the statutes of the company: These statutes have to take into account limitations according to the University Act NRW, the legal regulations on public listed stock companies (see AktG) and the financial interests of the parties involved. Being aware of these issues their implications and appropriate solutions need to be discussed.

Referring to (UA) § 5 (7) sentence 1 no. 1 the articles of the association of the Digital Hub Region Bonn clearly define that the cooperation is intended to promote research and teaching as well as enabling and fostering the

transfer of knowledge and technology. This goal can be achieved by both the transfer of knowledge from universities to the non-university area as well as the transfer of knowledge from an extra-university context to the university. Thus, it was crucial to explicitly include transfer activities as an overriding objective in the company's statutes. In the future the hub has to prove that it meets the know-how and technical transfer objectives pursuant to the requirements of (UA) § 5 (7) sentence 1 no. 1

Referring to (UA) § 5 (7) sentence 1 no. 2 the university's planned investment in the digital hub company distributed over a total period of 5 years seems to be appropriate to the university's total annual budget. Pursuant to § 5 (7) sentence 1 no. 3 of the University Act NRW the BRS University has to make sure it has an appropriate influence in the company's organs. In order to meet these requirements of the University Act the BRS University achieved the exclusive right to send a representative into the supervisory board of the Digital Hub Region Bonn, although the university's share of the total stock is only about 6%. Even though the influence of the BRS University is relatively small, the factual influence in the supervisory board exceeds the participation ratio. Besides the University Act further states that the university needs to have an influence on the company's management, which is appropriate with respect to its share in the company. The Management Board of public listed companies is appointed by the Supervisory Board. According to the Stock Corporation Act (AktG) the posting of a member to the Management Board on behalf of the university cannot be effectively agreed on in the statutes of the corporation. The problem is that the management board of a public listed company (AG) is - unlike the managing director of a limited liability company (GmbH) - independent from instructions and directives of the supervisory board, so that the BRS University's influence on the operations is factually limited.

The statutes of a company comprise of various other provisions to retain the influence of the BRS University on the company's operations:

- (1) Certain business transactions require the approval of the Supervisory Board,
- (2) Furthermore the representatives of the HEI's have the right of examination as well as a veto right in the supervisory board as well as the agreement of a majority requirement for resolutions of the Annual General Meeting.

Referring to (UA) § 5 (7) sentence 1 no. 4 the financial contribution of the university has to be taken from its free reserves and the liability of the university is limited to an amount appropriate to its' financial ability. According to German business law (HGB) the liability of the shareholders in a public listed company is limited to their share proportion.

c. Differing interests of the cooperating partners

In the founding phase, as well as in the operation phase of the hub, the partners had to realize that there are differing interests on behalf of the cooperating equity partners which can make it more complex to find a common denominator in decision making processes. According to the above-mentioned legal requirements the universities aim to initiate and foster transfer activities between the hub and the HEIs; the Chamber of Commerce and the economic development agencies are mainly interested in promoting the local economic development and the local economic power. Last but not least, the private and corporate investor's main goal is to find promising new ventures.

d. Find a suitable location

A current issue is concerned with finding the right location for the digital hub incubator. Today's market for feasible corporate offices in the Bonn area is really tight. In addition to there not being enough office space available for the potential start-up, the founders expressed some explicit requirements such as:

- The hub should be located in or very close to the city center, not more than 10 minutes walking distance from the central station.
- (2) The hub should only pay reasonable rents in order to be able to offer affordable rent to the ventures.
- (3) The hub location should be "cool" for young people.

As available office space is scarce in the Bonn region at the moment it is difficult to find a feasible place to locate the digital hub that meets all of the above-mentioned requirements. Therefore the hub has currently started in a smaller location in a Bonn corporate development area. The hub management plans to expand into new business facilities very soon.

e. Legal form of the corporation

For the legal form the hub chose a publicly listed company, which allows investing and desinvesting the investors' capital easily pursuant to German legal and tax requirements.

The Digital Hub Region Bonn is generally a suitable business form for a business incubator. In the present case, the legal form of the AG was chosen with respect to acceptance, public image and public appreciation.

f. Emotional barriers (PLC (AG) as the legal form - capitalism criticism)

Another general criticism refers to the legal form of a joint stock company. Some individuals from the BRS University criticize this legal form of serving capitalistic interests and having the notion of Manchester Capitalism business practices. Those people ask whether universities should generally take a capitalistic perspective.

### Conclusion

As we pointed out the financial investment of universities in a joint incubator with other public partners as well as private investors offers substantial benefits and that cooperation's like this involving different partners are challenging with respect to various issues. These challenges have to be faced and resolved in the future in order to establish a smooth cooperation satisfying the interests of all parties involved.

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## Experiential Learning through the Transformational Incubation Programme: a Ghanaian case study

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### Abstract

This paper explores experiential learning theory (ELT) from a case study describing the Transformational Incubation Programme for Coventry University Alumni in Ghana. The incubator represents a collaboration between Coventry University and British Council Ghana. The aim of the programme is to embed a blended, experiential learning approach to practice-based entrepreneurship education via an incubator designed to support scalable business start-up and growth. world venture creation, business development and acceleration. The paper offers a generic framework for Transformational entrepreneurship experiential learning in this context. The incubator offers an opportunity to engage with practice-oriented and experience based learning applied to real

### Introduction

Whilst entrepreneurship can play an important role in socio-economic development (Acs et al, 2014) it is argued that entrepreneurial activity which focuses predominantly on the individual entrepreneur may not have the desired impact. In this sense, it is important to consider individual entrepreneurial activities within the wider socioeconomic setting and to put into place a transformational mind-set from the beginning when developing business models. Miller and Collier (2010, p85) define transformational entrepreneurship "as the creation of an innovative virtue-based organization for the purpose of shifting resources out of an area of lower and into an area of higher purpose and greater value under conditions requiring an holistic perspective". A reliance on the provision of grants and subsidies may negatively influence the nascent entrepreneurial mind-set, and foster a dependency culture. By focusing on business incubation and start-up in terms of experiential learning we aim to help support greater entrepreneurial independence and resilience as well as helping to develop greater 'pro-social' awareness amongst incubatees.

The case study in this paper presents a programme designed to achieve the objective of supporting the creation of a range of businesses equipped for transformational entrepreneurship. By working with a local support team, along with mentors and business advisors, our approach is to, support the incubatees as individuals and in their group development; help the entrepreneurs to develop a robust business model; support the growth aspirations of the business, relative to the needs and resources of the business; and, help the business to become investor ready. The programme builds experiential learning through three levels - the individual, the team (where relevant), and the business and its context. This multi-dimensional approach requires coordination with the local support teams and a degree of flexibility in the approach to the delivery of training to reflect the fact that businesses will progress at different rates. A learner-centric approach is required to adapt to the individual and their particular business needs.

### **Entrepreneurship Education**

Despite offering a systematic literature review on entrepreneurship education, Pittaway and Cope (2007) conclude that there lacks consensus in the literature on the basic principles of and definition of entrepreneurship education (EE) as well as definitive evidence that education can create more effective entrepreneurs. Lackéus (2015) suggests that discussions concerning entrepreneurial education need to start with clarification of meaning and suggests that entrepreneurship may be considered from either a narrow or wide definition. The narrow definition sees entrepreneurship as about becoming an entrepreneur and necessarily involves business development, selfemployment, venture creation and growth (Fayolle and Gailly, 2008, Mahieu, 2006). However, a wide definition of entrepreneurship is more concerned with the general process and characteristics of being enterprising, expression and creativity, and taking initiative. In this sense it is more about becoming entrepreneurial and not specifically concerned with venture creation (Mwasalwiba, 2010). Since the study presented here is concerned with EE in an incubator context the definition adopted here is the narrow view of entrepreneurship as involving some form of venture creation or business growth. A further commonly held distinction in the nature of EE is concerned with purpose and differentiates between EE that is 'about', 'for' and 'through' entrepreneurship. Teaching 'about' entrepreneurship refers to a theoretical approach which seeks to enable learners develop a general understanding of entrepreneurship and enterprise as a subject and may be considered the most common higher education approach (Mwasalwiba, 2010). Alternatively, teaching 'for' entrepreneurship provides a means to engage directly with the development of self-employment knowledge and skills and aims to support nascent entrepreneurs in startup. The process of teaching 'through' entrepreneurship is described as offering a more experiential approach where learners are directly engaged in an entrepreneurial learning process through business development and learning opportunities are derived from the actual experience of business ownership and entrepreneurship (Kyrö, 2005). Here we are particularly concerned with teaching 'through' entrepreneurship and consider the role of incubation as an important part of HE entrepreneurship education through the emphasis on experiential learning.

### **Experiential Learning**

Kolb (1984) considers experiential learning as "the process whereby knowledge is created through the transformation of experience. Knowledge results from the combination of grasping and transforming experience" (p.41). In this sense, Kolb considers experience as an external environment with the learner develops a reciprocal relationship. Learning therefore is the process of understanding more about the learners' social and physical environment and in turn having the ability to influence and shape this. This is a continuous, iterative and coevolving process of experimentation and reflection where both learner and the learners' contextual environment may develop and transform. Kolb et al (2001) present Experiential Learning Theory (ELT) as a holistic model of the learning process. ELT emphasises the central role of experience and practice. It is also referred to as experiential due to it having roots in the experiential works of Dewey (philosophical pragmatism), Lewin (social psychology) and Piaget (cognitive developmental genetic epistemology).

Boud et al (1993) also underline the importance of reflection in experiential learning theory and therefore the use of reflective journals to record learning through practical experience. They prioritise the notion of 'internal' and 'external' experience forming the cognitive and social components of learning. Lefebvre (1991) considered these along with the physical/ontological aspect of space as forming the spatial triad (social, cognitive and physical) in the production of space. It is through the interplay of these elements that we appreciate the range of dynamic interactions in ELT. Kolb and Kolb (2005) introduce the concept of learning space as a "framework for understanding the interface between student learning styles and the institutional learning environment and refer to experiential learning can be applied throughout the educational environment by institutional development programs, including longitudinal outcome assessment, curriculum development, student development, and faculty development" (p.193).

Boud et al (2013) underline that whilst experience based learning is increasingly popular as a pedagogic approach, reflection is often insufficiently treated in programmes. Reflection should provide a dynamic component that is continuously part of contextualising the choices made and lessons learned and should be theoretically underpinned. It is by constantly oscillating between action and reflection that the shift between internal and external experiences enables the learner to progress. Dobson and Selman (2012) refer to the use of action-oriented approaches as an opportunity for experiential learning in a research context. Here reflexive enquiry through a process of action cycles (Elfors & Svane, 2008; McNiff 2005) create the opportunity for the researcher to learn and build knowledge in a practical organisational context. Blichfeldt and Andersen (2006) underline the

benefits from a 'double-loop' learning approach introduced by Argyris and Schön (1978) and Schön (1983). In this model, outcomes resulting from a 'practice' loop may feed into a second loop as the 'motive' for theoretical enquiry.

### Entrepreneurial development through incubators

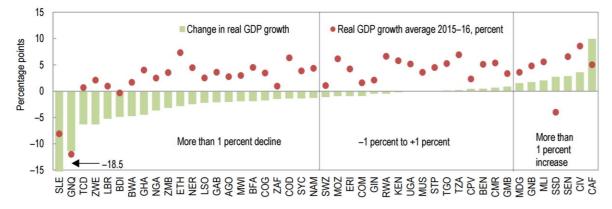
Establishing an educational model 'through' entrepreneurship involves direct engagement with experiential learning. ELT underlines the necessary oscillation between internal and external dimensions of learning development and therefore the process of entrepreneurship becomes a central bridge for the learner to connect these. Business incubators are important vehicles to support this practice-based learning through experience. Voisey et al (2006; 2013) examine the impact and success of business incubation in the development and support of entrepreneurial activity and outline that "incubation is now viewed as a key component of regional and national economic development" (p.455; see also Harman and Read 2003). According to Hackett and Dilts (2004), role of an incubator is to deliver a community or regional strategy to promote new enterprise survival. Therefore, central to this proposition is the notion of place and connection between the fledgling business and its wider regional and community ecosystem and strategic goals. The underlying assumption therefore is that incubators are developing socially productive enterprise that fits with the needs of the local region whilst also supporting employment and economic growth.

### The Case Study: Transformational Incubator, Accra, Ghana

### **Country Context**

The need for an entrepreneurial renaissance in Africa is acute. Potential solutions are needed to generate a socioeconomic renaissance addressing the challenges of amongst others youth unemployment, deepening income inequality, and persistent jobless growth. Amongst the countries in sub-Saharan Africa Ghana is resource-rich, politically stable and often cited as a model for developing African nations (BC 2017). Ghana has a population of 27.41 million (World Bank 2015) and is has a Middle-Income Country (MIC) status, although many of Ghana's development indicators are still in the state of a Low-Income Country (LIC). In recent decades, Ghana has made rapid progress towards human development and reduction of poverty levels, however it is now facing significant macroeconomic challenges, including a sharp increase in inflation and public debt, a rapidly devaluing currency, and infrastructure shortages (BC 2017). Ghana's labour market remains poorly educated with 25 per cent having no education and 57 per cent obtaining only primary level education. In 2015, 53.8 per cent of GDP came from services which is a figure in decline. In industry GDP contribution is 26.7 per cent and agriculture is increasing at a level of 19.5 per cent (BC 2017). While the Ghanaian economy is increasingly diversified, agriculture remains robust but constrained by declining popularity of the sector among young people who are drawn toward the service sector. According to the most recent Global Entrepreneurship Monitor (GEM) report for the country, the percentage of 18-64 population who are either a nascent entrepreneur or owner-manager of a new business, referred to as Total Early-Stage Entrepreneurial Activity (TEA) rate, is 25.8 per cent. This appears to be a robust figure in comparison with the UK (8.8 per cent) and the US (12.6 per cent) this figure is quite low compared to countries such as Botswana (33.2 per cent), Uganda (35.5 per cent), Senegal (38.6 per cent) and Nigeria (39.9 per cent).

In 2016, the IMF, World Economic Outlook database indicates the Ghana as having a 5 per cent decrease in GDP growth between the average in 2010-2014 and 2015-16 (Figure 1).



**Figure 1:** Sub-Saharan Africa: Change in real GDP growth average in 2010-2014 and 2015-16 (Source: IMF 2016) Transformational Incubator – Skills Hub and Innovation Centre

In March 2016 the British Council Ghana opened the British Council Skills Hub and Innovation Centre as a means to support and influence youth employment and self-employment in the capital. Working with private-sector investment, the British Council created the Skills Hub as a virtual and physical resource offering resources, skills, expertise and knowledge sharing thus catering to the needs of young Ghanaians by providing them with access to innovative products and spaces. Through the Skills Hub young people can access training and business incubation catering to the needs of the Ghanaian and global job market by providing long term transferable skills. Through this the International Centre for Transformational Entrepreneurship (ICTE) at Coventry University, in partnership with British Council Ghana, launched the Transformational Incubator.

The Transformational Incubator was created in June 2016 for an initial six months but due to lessons learned and its exploratory nature this was extended to nine months. The incubator represents a collaboration between Coventry University and the British Council, Ghana and was initiated as an experiment in finding solutions for the graduate unemployment problem in Ghana and with assisting to build a transformational entrepreneurial mind-set among graduates. The incubator is delivered through a blended learning approach of face to face support, mentoring, and formal training at the Skills Hub, Accra and also online training, mentoring, and support through the Coventry University virtual learning environment. It started with Coventry University alumni since the university provided initial investment but with plans to widen the reach in time. From this early stage of development the experiences of the incubator itself so that it's support may respond to suit the local context and provide a blueprint in developing place-based approaches to incubator support which may be developed in other countries and including graduates from any university.

The catalyst for the incubator was the launch of the Coventry University Africa Institute for Transformational Entrepreneurship (AITE). It was felt that a specific project should be implemented to help the AITE gain traction and focus on activities. It was launched due to the willingness of British Council Ghana to participate in the project

and as a means to tackle the socio-economic and graduate unemployment problems experienced in Ghana. The British Council have been a critical partner due to their long-standing connections and access to the market. Recruitment was achieved through the British Council inviting alumni to apply as well as Coventry University targeting alumni students previously contacted through the launch of AITE.

Whilst the incubator is deemed by the 20 participants as providing valuable support, only around four are ready to launch viable businesses at this stage. An important lesson learned from this process, as an experiential learning case, is that not everyone is able move through a programme at the same rate and with a similar level of opportunity for learning. For this reason there needs to be much greater flexibility in the potential to complete a programme in a given period. Flexibility due to the experiential, learner-centric nature of this way of providing entrepreneurial education and support is a central theme (Kolb et al 2001; Mainemelis et al 2002). Continuous personal development therefore is what needs to drive this process rather than a fixed programme of learning. In order to help schedule the learning it may therefore be necessary to profile the specific phase in career development of incubatees to help manage differing points of entry and departure from the learning cycles. Whilst some applicants may be just starting their entrepreneurial journey, many applicants were already established in their own careers or in the process of career change. This made the scheduling of interventions problematic at times. However, more flexibility in the programme should be able to address the challenge of scheduling activities for "part-time" members of the cohort.

Additional findings from this pilot case study include the importance of the incubation manager selection. Whilst it is essential to ensure that a manager was appointed from Ghana to assist the creation of capacity and capability locally, this proved to be a challenge due to lack of expertise and experience in this area. Whilst initially, the manager may need to be appointed from outside of the local country, a system of succession management and training must be in place from the outset.

### Discussion

Whilst EE necessarily starts with the entrepreneur it is evident from both ELT and incubator literature that experience of and engagement with the wider ecosystem must form a critical part of entrepreneurial development. It is for this reason that the nature and role of entrepreneurship as part of regional development policy must be considered (Maas and Jones 2015). The global environment is characterised by various challenges such as income inequality, jobless growth, lack of leadership and rising geostrategic competition (WEF 2015). Although entrepreneurship is cited as an important means to tackle these (Pretorius et al., 2005; Bosma et al., 2006; Gibb and Hannon, 2006), individual entrepreneurs are struggling to sustain socio-economic development and, especially in a developing context, entrepreneurship does not always support local and national economic performance. What is needed are the right capability, capacity, eco-systems and policies to help successfully transform the socio-economic landscape. Sautet (2013) and Maas and Jones (2015) underline that whilst entrepreneurship has the capacity to be socially productive it can struggle to address these major challenges. It is clear that entrepreneurial activity which focuses predominantly on the individual entrepreneur (or indeed focuses solely on the local region) will probably not have the desired positive impact on national socio-economic development. Therefore, a balance between a focus on individual entrepreneurial activities and society-wide changes is what is required. Here we can

appreciate the need for any such value propositions to be both informed by strong personal values and commitment to effecting change, which are directed by positive, pro-social entrepreneurial awareness of community and societal need. Within this context a systemic (or eco-systemic) approach outlines the broader orientation toward combining the individual and other sub-systems such as society and institutions to interact and reinforce so as to create a positive framework for opportunity development. In this sense, it is suggested that systemic entrepreneurship should be socially productive and go beyond the needs of the individual and their immediate ego network if it is to have a positive impact on socioeconomic growth, (Sautet, 2013). Re-thinking the way entrepreneurship is promoted is therefore called for and the focus of this drive is systemic that can lead to transformational results. Miller and Collier (2010, p85) suggest that transformational entrepreneurship: "transcends economic terms and emphasizes the centrality and value of people, their vocations, and the many levels of relationality involved in entrepreneurship, in addition to the technical aspects of the business". The European Commission Green Paper 'Entrepreneurship in Europe' outlines that "Entrepreneurship is considered one of the most important factors contributing to economic development and has numerous benefits for society. It drives innovation, creates jobs, develops human potential and satisfies new customer demands" (Jaén et al., 2013, p16). However, as Schoar (2010) outlines, entrepreneurship is a multifaceted concept and is all too often treated homogeneously. In this critique, Schoar offers a valuable distinction between two types of entrepreneurs, these are: 'subsistence' and 'transformational'.

"One can argue that there are at least two fundamentally different groups of entrepreneurs: First, there are those who become entrepreneurs as a means of providing subsistence income, which I will call the subsistence entrepreneurs. And second, there are those entrepreneurs who aim to create large, vibrant businesses that grow much beyond the scope of an individual's subsistence needs and provide jobs and income for others." (Schoar, 2010, p58)

A key problem with entrepreneurship for economic development is that very few new start-ups grow to become medium or large sized businesses and do not always create employment opportunities. There are several reasons for this. For example, the concept of 'Liability of newness' (Stinchcombe 1965) considers that start-ups may have only minor survival chances because of the time needed to build functional relationships and networks with larger and more established firms (also observed by Lubell, 1991;Van Stel et al., 2005). Here Van Stel et al. (2005) refer to the lack of a business ecosystem linking larger firms to smaller firms to support start-up development and growth. Additionally, administrative barriers and the national regulatory environment may negatively impact and curtail entrepreneurial start-up and growth in some regions (Singh et al., 1986; Van Stel et al., 2005). As Schoar describes, there is evidence to suggest that not only is there a distinction between subsistence and transformational entrepreneurship, there is also a "negligible fraction of the entrepreneurs transition from one type to the other" (p59). Therefore, it is proposed that much policy in this area fails due to its assumption that subsistence entrepreneurship is the first step on a transition toward transformational entrepreneurship. Based on the experiences of developing incubator and educational programmes (Maas and Jones 2015) through experiential learning, academic literature, research, and policy development the following framework for transformational entrepreneurship development is proposed (Figure 2).

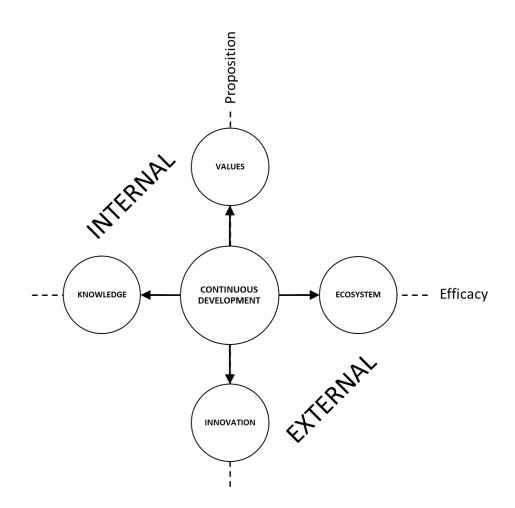


Fig 2: A framework for transformational entrepreneurship

Central to the framework is a process of continuous development and this is pursued through the balance of two axes – 'efficacy' and the 'proposition'. Each axis represents the ideal balance between internal and external dimensions.

Entrepreneurial Efficacy, or Entrepreneurial Self-Efficacy (ESE), is commonly regarded as an essential determining characteristic of the entrepreneur (Gee et al 2009). Whilst measures for ESE, considering it as an intentionality model, refer to features such as entrepreneurial orientation, intention and behaviour it may be generically described as a 1) combination of the entrepreneurial characteristics of the individual and 2) the characteristics of a positive and vibrant external environmental/ecosystem. From an educational perspective considering the role of continuous development it is possible to conflate individual entrepreneurial characteristics into the broader domain of knowledge. For the purpose of the framework, knowledge is referred to as the broad act of knowing and therefore encapsulates skills, practice, intuition, motivation, orientation and ability. These are all individual (internal) attributes which may be improved through processes of experiential learning and personal development via interaction with external experience. Therefore, ESE requires both internal and external dimensions for entrepreneurial enactment.

The 'efficacy' axis involves continuous development of knowledge (internal), represented by self-improvement, learning and also building better knowledge of the business environment and markets. The external dimension of this axis involves the continuous development of the ecosystem. This refers to actions relating to striving to create positive policy environments, support networks, partnerships and strategic alliances. The continuous development of entrepreneurial efficacy therefore requires improvements and developments in both these internal and external dimensions in a balanced and harmonious manner.

In addition to the efficacy axis, there needs to be a proposition. Emerson (2003) suggests that the proposition has often been viewed as either offering social or economic value and instead should be seen as indivisible. A blended approach is offered by Emerson combining economic, social and environmental benefit and therefore "requires us to re-examine our understanding of the nature of capital, the methodology for calculating rates of real return to investors, and the role of for-profit and non-profit organizations in the value creation process" (p.33). It may be suggested that the proposition represents value-based innovation; that is innovation supported by strong entrepreneurial ethics and pro-social motivation.

Like the efficacy axis, the proposition axis is also comprised of internal and external dimensions, these relate to 'values' and 'innovation' The continuous development of values (internal) involve developing one's own personal value set and goals, being responsive to societal and community needs and also communicating these to generate shared values. Whilst, personal values are intrinsic to a proposition for transformational entrepreneurship these will have little societal influence without externalising them as 'innovation' (external). Innovation is associated here with market disruption or societal impact and therefore is categorised as an external dimension of the proposition. In this sense, the continuous development of innovation enables a business to grow, develop, diversify, respond to societal needs, and to evolve.

Since both the efficacy and proposition axis comprise of internal and external dimensions we may combine the two internal dimensions and the two external dimensions. Therefore externally these form the 'innovation ecosystem' and internally the individual entrepreneur possesses 'value-based knowledge'.

### Conclusions

The Transformational Incubator has provided an important case for Coventry University to establish a place-based approach to business incubation and support through a process of blended learning based upon ELT. The practical nature of delivering education 'through' entrepreneurship is a suitable context for ELT but also requires a great deal of learner-centricity and flexibility of the programme. The individual nature of business experiences which connect directly with the external environment make the delivery of support and iterative process driven by the individual learner's personal development and so programme schedules and time-tables cannot drive the learning dynamic. The aim of the programme has been to embed a blended, experiential learning approach to practice-based entrepreneurship education via an incubator designed to support scalable business start-up and growth. From the programme four out of 20 participants are currently ready to launch businesses and but as a continual process it is expected that all of the participants will continue to develop learning based around the support of the two key axes of 'efficacy' and the 'proposition'. This is presented in a resulting generic framework is for Transformational entrepreneurship experiential learning.

### Implications for Practice

It is increasingly important to consider the active and dynamic nature of entrepreneurship as a process and therefore experiential learning 'through' entrepreneurship is a valuable mechanism to support business growth and development. This kind of approach requires significant time and resource investment but is more likely to produce the kind of bespoke and targeted supported needed to help early-stage entrepreneurs develop a higher order to opportunity exploitation. The model in figure 2 represents an experiential learning process which balances entrepreneurial self –efficacy and the value proposition as comprising of both internal and external dimensions. The conceptual model for the promotion of entrepreneurship in Africa (Maas and Jones 2015) then offers a valuable implementation framework for this. The internal and external dimensions are represented in Maas and Jones's model by personal growth and business growth. The process of continuous development moves through the stages of 'pre-business incubation', 'business incubation', post-business incubation' and 'sustainability and growth'. Experiential learning as outlined here takes place throughout these four phases of growth. Practical activities to support this include knowledge transfer, support through an electronic platform, general business mentoring support, specific entrepreneurial support, international and national networking, as well as continued support on an ad hoc basis over time.

### Further research

Whilst this work is based on substantial knowledge of the literature and practical knowledge through the implementation of the case study incubator there is a need to formalise the evaluation of experiential learning through the model illustrated here empirically. This will form the next phase of the Transformational Incubator development in Accra and further locations.

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# Entrepreneurship and Private Sector Development in Ghana:

### The Government's MASLOC & NBSSI Initiatives

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### Abstract

This paper focuses on entrepreneurship and private sector development in Ghana with regard to the government's initiative towards supporting private sector development through the Microfinance & Small Loans Centre (MASLOC) and the National Board for Small Scale Industries (NBSSI) initiatives to support new and existing small and medium-scale enterprises (SMEs) in diverse industries. The study addresses some of the main problems facing the two government-sponsored initiatives and issues with accessing venture capital for business start-ups in Ghana. The objective of the study is to identify possible strategies through which the MASLOC and NBSSI could be improved to serve the needs of their customers more effectively and efficiently. Enhancing the performance of these public organizations could offer many SMEs in Ghana take advantage of the new opportunities in the domestic and global business environments. The questions to be addressed are; to what extent do the activities of the NBSSI and MASLOC meet the needs of SMEs in Ghana? What challenges are associated with their services and how can management of the two organizations address the challenges they face more appropriately? The methodology is based on the qualitative and quantitative approaches, involving interviews and the administration of questionnaires and surveys to achieve the study's objectives and goals. Based on the identified challenges, the study concludes with findings and recommendations for the management of NBSSI and MASLOC as well as entrepreneurs engaged in different SMEs in diverse industries and policy makers.

Key words: Ghana, Entrepreneurship, Private sector development, Government, MASLOC, NBSSI

### **1** Introduction

The dawn of the 1980s saw the introduction of the neoliberal development approach to replace the statist model which had dominated the 1970s. Neoliberalism, a development ideology which emerged in the mid-1970s as a "theory of political economic practice proposes that human well-being can best be advanced by liberating individual entrepreneurial freedoms and skills within an institutional framework characterized by strong private property rights, free markets and free trade" (Harvey, 2005). This development approach marked the end of the state led development model of the 1970s in favour of a free market or the neoliberal approach. Ghana was not exempted from the prevailing development trend. The success of free market in reducing poverty and promoting the expected growth and development in the Newly Industrialized Economies (NIE) in Asia in the 1980s influenced the development programmes of most developing nations through the promotion of the private sector. In Ghana, for instance, the National Board for Small Scale Industries (NBSSI) was established in 1985 by an Act of Parliament (Act 434 of 1981) to ensure that Micro and Small Enterprises (MSE) have adequate access to high quality, affordable and accessible business support services through the provision of client-focused programmes, supported by superior customer service and building strong relationship with stakeholders (NBSSI, 2017). Besides NBSSI, successive governments in Ghana have introduced programmes, projects and policies to provide the needed capacity to promote the MSE and the private sector in the country. Prominent among the initiatives include

needed capacity to promote the MSE and the private sector in the country. Prominent among the initiatives include the Presidential Special Initiative (PSI), Local Enterprise and Skills Development Programme (LESDEP), Ghana Youth Enterprise and Entrepreneurial Development Agency (GYEEDA), Captains of Industry Programme and Students in Free Enterprise Programme (SIFE); Skills Training and Entrepreneurship Programme (STEP). In 2006, the Microfinance and Small Loans Centre (MASLOC) was introduced by the government of Ghana as the microfinance apex body for implementing microfinance programmes, reducing poverty, creating jobs and wealth in Ghana (Quansah, Amankwah and Aikins, 2012).

In the midst of the avalanche of policies, projects and programmes, entrepreneurial development in Ghana has not seen the desired success to promote the private sector. This study therefore interrogates the challenges confronting state implemented entrepreneurial policies and programmes, especially the NBSSI and MASLOC in promoting the private sector in Ghana by reviewing the trends of resource disbursement to beneficiaries and the impact of the governments public sector development (PSD) initiatives on emerging entrepreneurial class and SMEs and how to make the facilities more beneficial to the stakeholders in the country.

### 2. Literature Review

### 2.1. Theoretical Framework

This study is informed by three main theories- the psychological entrepreneurship theory, sociological entrepreneurship theory and the resource-based entrepreneurship theory. The psychological entrepreneurship theory was propounded by Landstrom (1998). This theory is based on the view that personal traits play significant role in influencing entrepreneurship inclination. Personality traits such as need for achievement and locus of control determine the entrepreneurship orientation of an individual. The need for achievement (McClelland ,1961) for instance, argues that human beings have the innate ability to excel in all endeavours and therefore individuals with high need for achievement succeed in entrepreneurship as well (Johnson, 1990). The locus of control (Rotter, 1966) explains that an individual's orientation of the cause of an action also influences entrepreneurship development. A

person with internal locus of control believes that actions and consequence of actions are within his control. This orientation leads to hard work, accountability and innovation, leading to entrepreneurship.

Sociological entrepreneurship theory (Reynolds, 1991) has also identified social context as a major determiner of entrepreneurial inclination. According to Reynolds, social networks, life circumstances, ethnic identification and environmental factors determine the development of entrepreneurs. Resource-based entrepreneurship theory (Alvarez & Busenitz 2001), has also subscribed the development of entrepreneurship abilities to availability of resources such as financial capital, social capital and human capital. With this orientation, a society with adequate resources will produce more entrepreneurs than a resource scarce society. This theory fits the topic under discussion because the study seeks to establish the relationship between the provision of government resources such as the NBSSI and the MASLOC initiatives in entrepreneurship development.

### 2.2. Overview of NBSSI and MASLOC Models

The NBSSI was established as the apex governmental body to develop the private sector through the promotion of SMEs in Ghana. The NBSSI is an agency under the Ghana's Ministry of Trade and Industry. Though the agency is headquartered in Accra, it has secretariats in all the ten (10) regional capitals in Ghana and Business Advisory Centres (BAC) in the one hundred and seventy (170) district capitals in the country (<u>www.nbssi.gov.gh/services</u>). The NBSSI provides both financial and non-financial services to clients through the BACs. The non-financial services include the following:

- a) Facilitating access to enabling environment through the provision of the requisite platform for entrepreneurs to display their products to the target market; providing the necessary information to entrepreneurs to enhance their operations as well as making available all the available resources to entrepreneurs.
- b) Facilitating access to credit by providing the needed advice and information on how to access and utilize credit facilities. In addition, entrepreneurs are also trained on how to improve upon their accounting principles and business records.
- c) Provision of training and counseling of entrepreneurs in good market practices; fundamentals of management; access to local and foreign markets as well as business plan development.
- d) Support to business associations is another non-financial support that NBSSI gives to businesses in Ghana. These are done through promotion and strengthening of MSE businesses associations as well as helping associations to structure their operations.

The financial services provided by the NBSSI include the provision of credit facilities to entrepreneurs to enable them acquire working capital and fixed assets. The facilities available to clients presently include the following schemes:

- NBSSI Credit Scheme provides loans which amount to the tune Ghc 10, 000.00 with repayment period between 1-3 years and an interest rate of (lower than the market premium).
- Collaborative Credit Schemes with Municipal and District Assemblies is another form of financial facility given to Ghanaian entrepreneurs based on project estimations, and the repayment is usually 1 year subject to a moratorium of usually 1-2 months. The interest rates are also determined by the administrators of the facility.

MASLOC was also established with the goal of providing small enterprises in Ghana, a reliable access to microcredit and loans through three major credit schemes. These credit schemes include:

- A microcredit/group loan scheme is fashioned after the Grameen bank concept where credit facilities are advanced to groups of people. Under the MASLOC group loan, credit of about GHc 100.00-Ghc 500.00 is advanced to cooperatives of not more than 25 persons in a group. The membership serves as collateral to the repayment of the loan. Future credit is incumbent upon the repayment of the initial credit given to members. In order words, a default in loan repayment will mean the group will cease to benefit from future credit from MASLOC. Maiangwa (2012) argues that the group lending is a strategy designed to encourage self-selection which will minimize the risk of default in repayment.
- Individual loan scheme is the second type of loan facility from MASLOC to beneficiaries. Under this scheme, a qualified individual is able to access between Ghc 1000.00-Ghc 10 000.00.
- Wholesale lending is another form of facility made available to clients through on-lending. Rural Banks, Ministries, Departments and Agencies are granted loans by MASLOC for on-lending to small scale enterprises in the country.

### 3. Methodology

The study adopted the mixed approach, both qualitative and quantitative approaches to examine the possibility of NBSSI and the MASLOC in promoting entrepreneurship and sector development in Ghana. The study investigates some of the key challenges facing SMEs in terms of their awareness of the various funding sources and availability of funds in their operation. To arrive at these objectives, two sets of questionnaires were administered to a sample of 270 participants from 25 SMEs from Greater Accra, Western, Central, Eastern and the Volta regions in Ghana. 5 MASLOC administrators and 5 NBSSI managers from the five regions mentioned above also participated in the study. The snowball sampling was used in sampling participants for the study. In order to determine the perception of ease of participants accessing the different financing schemes and to ascribe the quantitative value to the gualitative data collected more effectively to make the study amenable to statistical analysis, the Likert's typerating scale, was used to measure the following: satisfaction with the different funding schemes; how frequent entrepreneurs have access to loans and grants; guality of service to rate participants' attitude towards funding accessibility and disbursement by government institutions. Qualitative data obtained from participants were coded, while the quantitative data/survey results were computed in percentage points based on response patterns and entered into an "SPSS" database application for predictive analysis for more meaningful insights into the collected data to predict future events and circumstances. In addressing ethical and confidential issues, the study sought the consent of the participants before administering the questionnaires and the interviews, and assured those concerned of anonymity and confidentiality, and vividly explained what the information gathered in the study would be used for. This orientation also helped the participants to become familiar and comfortable with the scope of information required; thus, they were confident to respond to the questions more appropriately.

### 4. Results and Analysis

### 4.1. Characteristics of MSEs Surveyed

The MSEs surveyed were those that had benefited from either the MASLOC or the NBSSI schemes or both. Out of the 270 respondents, majority of 78% had benefited from MASLOC while 14% have benefited from NBSSI.8%

had benefited from other government schemes other than MASLOC and NBSSI. The revelation from the data is that though MASLOC was established in 2006, about two decades after the NBSSI was established, MSEs are benefiting from the MASLOC facilities than the NBSSI and other existing schemes.

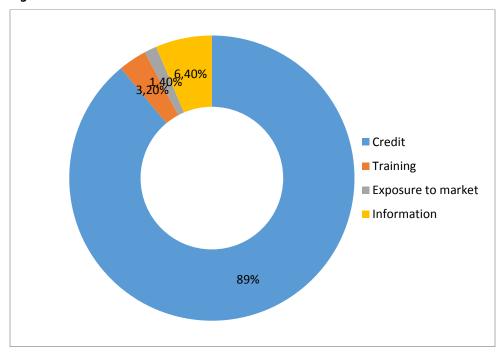


Figure 1: Nature of Benefits from MASLOC and NBSSI

Source: Field Data (2017)

From Figure 1 above, 89% of the respondents benefited from credit facilities from both MASLOC and the NBSSI. 6.4% from the information on how to manage the MSEs, 3.2% have benefited from training while 1.4% of the MSEs benefited from exposure to markets. The inference from the statistics is that credit advancement is the main function of the government agencies. This is because in Ghana, most entrepreneurs go into business without adequate capital hoping to secure more once the business grows. The availability of financial resources allows entrepreneurs to bring together other factors and use them to produce goods and services to gain competitive advantage. Access to adequate funding is by far the most critical challenge facing entrepreneurs and SMEs' business start-ups and expansion. Since funding is the lifeline of any business, the predominant the response from participants was funding availability and accessibility. While capital remains indispensable to start a new business, most commercial financial institutions operate their loan schemes on high-collateral and/or on high-interest basis. Eventhough SMEs and the private sector are considered the backbone of the economies of most developing countries in terms of job creation and tax revenues, due to the high risk associated with new business start-ups, the commercial banks are often reluctant to lend money to new entrepreneurs. As a result of the rigidities and unfavourable loan system, especially due to the commercial banks' five 'C's gualification criteria namely; collateral, character, capacity, capital, and conditions, many entrepreneurs in Ghana are discouraged from applying for bank loans. As a result, many entrepreneurs and SMEs turn their attention to government and donor institutions' loans and grant programmes. Besides availability and accessibility of funding, the government's prime rate to the

commercial banks is excessively high. This has placed interest rates charged by Ghanaian banks in a very high range from 25% upwards depending on a bank's set rates for loans; and interest rates charged by the micro-credit agencies are even much higher. This finding reinforces the results of a survey on enterprise financing by Aryeetey et al (1994) that only 14% of credit advanced by banks went to SMEs.

#### 4.2. How well are the resources utilized?

The government's NBSSI and MASLOC initiatives have had some positive outcomes. However, assessing the impacts and benefits of government programmes under these organizations', services for MSEs generally are woefully inadequate since the process has been bedeviled with several bottlenecks. Due to the lack of proper management skills, many business owners use money from their businesses without control and have no fixed salary since business income is not kept separate from personal expenses, and often not paid back into the business, considering its implications on the sustainability of the business. Sticking to budget is a challenge to some entrepreneurs, since a lot of them overspend way above their income and profits. Many entrepreneurs operating small businesses on sole proprietorship basis have no cost control mechanisms and working capital could be used to solve other personal or family problems. To justify the rigidities in lending and the high interest rate charges, some staff in the banks and microfinance institutions noted that due to the business culture of mismanagement of funds among some owners of SMEs, many entrepreneurs in Ghana have a problem of loan default, which has contributed to the difficulty in accessing loans from the traditional banks and the high interest rates (Manager, Ecobank, 2015).

Coupled with the lack of financing for capital investments and credit lines for working capital are the high taxes charged by the national and local governments such as income tax, the value added tax (VAT), high cost of energy, and the frequent power outages. These constitute some of the major challenges to the development and sustainability of SMEs. Lack of funds also has a ripple effect on the ability of the entrepreneurs and SMEs to afford the high cost of taxes, energy and other utility bills as well as transportation costs, which often results in high production costs leading to the crippling of some business operations in the manufacturing and distribution sectors. Other economic factors also influence entrepreneurship in many ways, especially the nature of the economy is a major factor that influences entrepreneurship since a strong economy is likely to provide better opportunities for new and existing entrepreneurs than a weak and sluggish economy. In a strong economy, the general purchasing power of people, which is manifested by income levels and economic prosperity plays a major role in the success of entrepreneurial ventures. Conversely, during times of economic slowdown or recession, the purchasing power declines and people are reluctant to invest, thus adversely affecting entrepreneurship development. Availability of resources is another major factor affecting entrepreneurial development in many developing countries. Since access to capital is crucial for the growth of every business, without a well-developed venture capital or equity market to support entrepreneurs in Ghana, it will be difficult for domestic entrepreneurs in Ghana to source capital for business start-ups.

Entrepreneurs who have participated in the NBSSI and MASLOC loan schemes over the years cited excessive government officials' control and politicisation of funding, victimisation of entrepreneurs and corruption as main reasons why many SMEs have gone bankrupt, especially those that are not supporters of a ruling government. In

many developing countries like Ghana, the political culture also fosters attitudes that militate against personal efforts, induce apathy and carelessness in the service to the public, and a careless attitude towards public funds and property. The politicisation of government loans to businesses has also led to the high default rate by borrowers who have the impression that by getting a loan from their party's government, they are being rewarded for their support, and loan defaulters are not punished due to their party affiliation. It is apparent from the above discussion that entrepreneurs and SMEs in developing countries face numerous challenges, which are diverse and complex, and require prudent measures by the government and its development partners to address them appropriately. These challenges have similar characteristics with the problems commonly associated with entrepreneurs and SMEs in Africa and the developing world.

### 5. Recommendations and Conclusion

Based on the findings in this study, it could be argued that the NBSSI and MASLOC initiatives have not been successful enough to propel MSEs in Ghana to facilitate their growth and expansion to influence private sector development in the country. For this reason, it is important that the government takes a second look at existing policies and strategies and redesign effective ones to facilitate entrepreneurship development, new business start-ups and SMEs growth. The politicisation of government loans to businesses must also be eschewed. Resources must be made available to only qualified and deserving entrepreneurs irrespective of their political affiliations so that the phenomenon of borrowers thinking that by getting a loan from their party's government, they are being rewarded for their support, and that loan defaulters are not punished due to their party affiliation is brought to an end.

This study concludes with the view that domestic entrepreneurs and SMEs need to be an integral embodiment in government policies because unlocking private sector potential is key to sustained economic growth and development in Ghana. With the dominance of neo-liberalism and capitalism in the contemporary global system, state enterprises cannot be the panacea for citizens' job needs or solving the myriad of societal problems. Support for entrepreneurs and SMEs is one of the effective tools that should be at the heart of any government's private sector development initiatives towards achieving the new 2016 Sustainable Development Goals (SDGs) agenda which have been introduced by the United Nations to replace the MDGs.

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# Culture and value trade-offs for successful entrepreneurship in Africa

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### Abstract

In Africa slowly but steadily a transformation is taking place in the management styles of enterprises. There is a trend towards more precise time management, more precision in dealing with increasingly sophisticated technology, more feedback from the bottom to the top in order to manage the processes properly, more professionalism and independence of the individual worker.

This contribution makes two points: first, neither cultures nor the so-called mental states of individuals are ever static, but always on the move. Second, the force of passion and inspiration by which particular cultural values are endorsed in a particular context makes all the difference in their impact.

The importance of these two propositions comes to the fore, if the concept of an "economic culture" is taken into consideration. The claim of the authors is that the ongoing cultural transformation can be better understood in the dynamic approach of cultural values as proposed here.

Keywords: development, economic culture, intercultural management, values, entrepreneurship

### Introduction

Usually in intercultural management two opposing values or "dimensions" are distinguished like collectivism versus individualism, hierarchy versus egalitarianism (Hofstede 1997, Trompenaars & Turner 1999, Steers et. al. 2010). The score of different cultures on these dimensions is measured according to these parameters in percentages. First the authors want to highlight why this approach has been an important innovation in the usual procedures of anthropology. Then they will show why this approach is not as objective as the use of exact numbers and percentages may suggest. Human situations are too complex and fluid (Ndegwah, 2007: 76). The aims of this contribution are threefold. 1. It will be shown conceptually and by means of examples that we constantly move between different cultural values and that those cultural values mutually interpenetrate and fine-tune each other. 2. It will be taken into account that passion and inspiration are leading in the direction that a culture may choose to pursue. 3. It will be established how social and economic institutions are shaped by such passion, inspiration and the ensuing interaction of values. These points are clarified by using examples from Western and African history.

### The innovation of the cultural "dimensions" approach

Before and during the Second World War anthropologists were intensely occupied with racist philosophies. Most famous are the measurements of skulls and assumptions about the supposed intellectual inferiority of particular races. In the aftermath of this approach anthropologists have become hypersensitive with theoretical speculations about the character of different human races. This would imply an essentialist understanding of culture. The differences within a particular culture or society are often bigger than the differences between different cultures and societies.

To say, for instance, that the Japanese are very obedient and polite people from this point of view is an unacceptable generalization since there are always those Japanese and even strings of tradition in Japan that have a different orientation. Or stating, in the same vein, that Africans are collectivistic is also an exaggerated assumption since there are also stubborn and individualistic elements in African culture, and these have always been there, even during colonialism at the time of the big chieftainships in Africa (Ayittey 2006; Ndegwah, 2007: 372). When in the early 90s Hofstede published his work on cultural differences he based his research on a vast amount of data from all over the world from IBM questionnaires researching the attitudes of their personnel. He classified them into four or five, later even six, supposedly universal cultural dimensions. He aggregated the results in general concepts like power distance, collectivism, individualism, uncertainty avoidance and gender orientation. Especially by using percentages the existence of cultural differences became undeniable. The use of generalizations in cultural analysis became more accepted. International companies started to use this material for training their employees to make them sensitive to a more diplomatic attitude in intercultural negotiations. In their work Trompenaars and Hampden-Turner (1999) followed this procedure but they used a somewhat different set of cultural dimensions, which was derived also from earlier work of sociologists like Weber, Parsons and Hall (Steers et. al. 2010). Although this development has not remained without criticism, one might say that it has come to dominate the landscape of intercultural management and management training.

This quantitative approach lends a status of objectivity to the research, because numbers cannot be wrong. Nevertheless, the categorization of the questions is subject to interpretation and therefore ambivalent, more so because different concepts have different meanings in different cultures (Heine et. al. 2002). In particular, the concepts of feminine and masculine cultures as proposed by Hofstede have suffered criticism (Moulettes 2007, Hamada 1996). Feminine cultures supposedly put less emphasis on role differences and have more attention for care, whereas masculine cultures show the opposite features like competition and role differences. But some cultures may stress role differences and still not endorse strong competitive behavior, at least not openly. The Saudi are a case in point.

Another issue is the categorization of these differences within the framework of "national cultures". In sub-Saharan Africa, in countries with sometimes 40 (Kenya), sometimes even 200 (Nigeria) ethnic groups within one nation, doing so is highly problematic. Differentiation would be required between different tribes, but also between rural areas and cities and on top of that differentiation according to social and political affiliation. In addition, there is an ongoing debate and political struggle within these societies themselves for either a more civil society type of values or more tradition oriented values, in which power distance, status and group membership are more important (Eberly 2008, Kasfir 1998, Keane 2001, Karviraj 2002). Societies may evolve in different directions. Even within Western traditions different nations are characterized by different versions of civil society values. Italian civil society differs widely from the US type of civil society or France or Germany (Rosenstock-Huessy 1993).

Luckily, it is generally accepted that a conceptual/statistical cultural analysis should be checked by events, occasions and stories from actual practice. Generalizations like the rough grid of cultural dimensions of Hofstede are useful, but one should always follow the thread back from the typical and general towards the individual and the contingent. The story should be told, both of different lines of culture, and of the different biographies of individuals. "The African situation is so varied and diverse that it is safe to talk of many Africas, sociologically speaking, that exist side by side in the common geographical Africa, and yet their demarcation is not clear-cut" (Ndegwah, 2007:97). The entrepreneur who quickly consulted the website of Hofstede and found some easily understandable conceptual distinctions may as easily run into difficulties in coping with the concrete way of communication and living in an African society, misinterpret everything and as a consequence lose on his investment.

### A. Priorities and interpenetration of values

Most problematic, however, and this is one of the focal points of this contribution, is the fact that this type of research in the end results in a static picture of culture. This may suit the supposed objectivity of the research and it is reinforced by the habit of contemporary philosophy to analyze mental processes in terms of "states of mind". But our minds are never in a steady-state and our values and emotions are even less stable. We always move from one value, virtue or emotion towards another. We should actually follow these experiences phenomenologically like Levinas does in his phenomenology of responsibility (Levinas 1961). The assertiveness for instance that characterizes our speech at one moment is already turning into the receptiveness of listening when we finish. In

defending a particular position in a debate a person may be already on the move towards another position that also deserves some understanding. We have a plurality of voices, meanings and feelings in our head over which we try to preside. A static conceptual analysis based on empirical data cannot, therefore, do justice to such pluralism and movement (Kroesen 2014). Culture is quite a fluid reality (Ndegwah 2007:37, Droogers 2003: 61). Values interpenetrate each other. They mix with each other. In order to corroborate this observation the authors selected some of the important distinctions from the above-mentioned literature to scrutinize them by means of a phenomenological description of their application in the Western and African context. This exercise will help to understand and describe and maybe even give some orientation to the process of transformation sub-Saharan Africa is going through.

### 1. Understanding individualism as different from atomism

It is generally accepted that Western culture is individualistic and cultures from the east and south are more collectivistic. Taken at face value there is obvious. Visitors and tourists from the east and south coming to the west are under the impression that everybody is doing as he or she likes. In a group discussion Western people immediately and without reservation express their personal opinion. They do not even seem to listen to each other and nobody is chairing the meeting. Less striking to the Westerners themselves, but more so to African or Asian participants, is the fact that disagreement is a normal part of the process and taken for granted. This pluralism of standpoints is often understood, also by the Westerners themselves, as a form of fragmentation. But should also be understood positively as a legitimate part of the process of reaching an agreement. Everybody speaks out what he thinks and fragmentary understandings and differences in opinion are brought together to create a common support base. But in that case individualism is not as atomistic as it is often judged to be. It can be part of an open dialogue based on equal footing. The moment I say "I" implicitly I also say "you". But if this is the true experience of individual expression, individualism is actually turned into a social phenomenon. Individuals express themselves towards each other in order to reach a common understanding. In the same vein the use of cell phones has sometimes been misunderstood as a sign of individualism (Choi 2009). Every individual has a cell phone. One at least. But if this is considered as a sign of individualism it is overlooked that they are used for communication. This more nuanced understanding of individualism is confirmed if we look at the institutions underpinning society. Although Western societies are considered to be individualistic, social security has been better arranged than in developing countries, which are more collectivistic. How come? Apparently individualism does not mean that everybody is on his or her own, and collectivism does not always mean solidarity. On the contrary, in the West anonymous and institutional arrangements are in place for the elderly who cannot work anymore and for those who are jobless. Trade unions, employees, government regulations and employers' organizations take care of this social security system in a systematic and well-structured cooperation. And the anonymous and impersonal application of rules is a social condition for such individualism. The security system makes the individuals less dependent on family loyalties. The arrangements for poverty alleviation in 17<sup>th</sup> century Western society by the state and by civil society organizations gave the final blow to clan solidarity in the West (Rosenstock-Huessy 1993). It was not necessary anymore.

Often the counterargument is brought forward that the West could provide the finances needed for such a social security system. But that argument works both ways. The independence from patronage and clan systems that the social security system created turned dependent labor forces into productive citizens. In combination with state financed education for all citizens it created a capable and flexible labor force (Rosenstock-Huessy 1993). This phenomenological, descriptive analysis provides us with two competing concepts of individualism. Individualism may point to independence, but it also points to communication. The paradox is that both take place at the same time. My individual judgment is not just the opinion of a stubborn individual, but also a trial, a proposal, an invitation that can be answered by a confirmation or even a refutation from the other side. My initiative is just a moment in a process in which the other takes over and in which both of us bear the burden of disagreement, lack of recognition and so forth. In such a dialogue self-defense gradually turns into shared understanding and such common support base eventually leads to institutionalization of a new policy (Kroesen 2015).

Was something like this not present in traditional Africa? The African Indaba, the time-consuming consultations of the elders in the Council of Elders, represents much of the same process. The Chiefs could not just decide on their own, even if they were respected as the embodiment of the voice of the ancestors (Ayittey 2006). They were treated with religious respect, and by this fact they were also expected to be the voice of old traditions. The voice of the ancestors and the voice of the elders functioned as checks and balances on too much autocratic individualism. There was always some tension between the elders and the chief. If the chief went too far in his autocratic exercise of arbitrary rule, he could be murdered, chased away, dethroned, or the elders could take their families and move to a different area, join another tribe or start a new one. In Western societies this individualism and dialogue has been institutionalized on a larger scale, not anymore on the level of clan or ethnic group, but on the level of nations comprising a large number of clans mixing amongst each other. In the process individual expression has become more articulated and pronounced. Individuals are free to make their own choices, because they are not dependent anymore on their families financially. The individual has become an independent entity in the society, but at the same time the social responsibility that individual judgment is supposed to serve, is much wider and goes beyond one's own family, clan and tribe on to the nation and even beyond. Individual responsibility gradually becomes responsibility to the neighbor worldwide (Levinas 1961).

The price to be paid for the exercise of individual judgment and dialogue on this larger scale consists in the fact that it became less personalized. It is regulated by law, parliamentarism, the press, and public opinion. The advantage of this systematic large scale society is the easy realignment and shifting memberships of individuals, companies, professional groups and constantly changing coalitions.

### 2. Different forms of collectivism and the collectivism of team spirit

Just like individualism collectivism is not a monolithic concept. Normally collectivism means that the group goes before the individual. Although again, at face value seems to be evident, it can be true to different degrees and in different ways. Many Westerners tend to admire the African collectivism as something good, until they discover how much closed in-group mentality is covered by that term (Sardan 1999). Different collectives, clans, families,

enterprises, governmental departments and so on compete with each other and do not trust each other (Wiarda 2003, OSSREA 2009). Collectivism often works pretty much like the Arab saying: "I against my brother, my brother and me against the family, my family against the clan, my clan against the tribe, my tribe against the other tribes, etc." Inasmuch as collectivism is taken in an ethnic/tribal sense, it precludes the existence of a public space. The only public space where trust is possible is within the 'we-group'. In other words, where trust is limited to the 'we-group' public space cannot really develop. For this reason the other side of the coin of collectivism is the often endemic corruption, baptized in all sorts of names to make it sound good and acceptable. If family is all that counts, it is legitimate to approach everything and everybody else in an instrumental way. A job in the government bureaucracy then easily becomes a means to provide the family with all it needs. Family and clan members may be conveniently appointed on jobs for which they are not qualified. In the 90s a Dutch football trainer left Saudi Arabia because every clan had to be represented in the national football team irrespective of performance. When he put aside that demand in order to compose an efficient team, he was fired. In Bangladesh a director of an NGO received funds for installing two prototype tanks for water harvesting. He put one at the office of his NGO, and the other at the house of his brother. If he had not done so his family would have considered that a neglect of family responsibilities. But from a Western perspective it is corruption.

The Chinese and the Japanese societies have a collectivist attitude in a sense quite different from Africa. Societies marked by overarching imperial traditions, often more by force than by training, cultivated broader responsibilities among their members. Social obligations would not only be due to family members, but also to the imperial bureaucracy and civil servants. Ideally from a hierarchical perspective society should function smoothly like a huge machine in which everyone plays his part. Harmony, in the sense of the adaptation to the hierarchy, requiring polite and respectful behavior, is more in the foreground in this understanding of collectivism. In such societies public space is present, albeit in a limited sense. It is dominated by imperial power and authority. The individuals are supposed to adapt to their functional role within a comprehensive social machinery. It is more adaptation than commitment.

Public space in its proper sense, can only be installed where there is public trust apart from state authority and family loyalty. It takes a civil attitude and a civil society, meaning that individuals and groups can change their loyalties according to preference and opportunity (Stackhouse 1984). This may be called team spirit in distinction from collectivism. In a team individual players coordinate their (different) efforts. In a true collective the differences are erased by the identification with the same symbols, values, and convictions. In team spirit from different perspectives and opinions a support base for common action is created. Such a civil society mentality cannot survive without coordinating mechanisms of its own, not induced by either the family or the state. A civil society is marked by volunteer associations with shifting and multiple memberships (Popper, 1965). Institutionally such an atmosphere of volunteer associational life may only develop within an enabling environment that is marked by rule of law and equal access to the state bureaucracy, without the mediation of "friends", privilege and clientelism (Fukuyama 2011)

For a dynamic understanding of the interaction and mutual influence of cultural values, it is important to underline the difference between team spirit and collectivism. As part of a 'we-group' there is little room for differences.

People are part of such a group as subsumed under a common denominator of membership. The group code is reflected in every individual (Ndegwah, 2007). Team spirit, on the contrary, includes differences of opinion, tensions between individual judgment and as a consequence cooperation as well as shifting memberships. Team spirit can for that reason be described as a mutual interpenetration of collectivism and individualism. Small-minded collectivist or individualist attitudes are overcome by making them part of something bigger, even while maintaining the differences within the cooperation.

Teamwork and teamspirit has also been part of African tribal society. It was characterized by the cooperation of different family lines in different villages. It is already mentioned how different families could move from one tribe to the other in case of disagreement or start a tribe on their own. Individuals could speak out in public, often also women were allowed the right to speak in public. The large scale nationwide societies could only come into existence by accepting pluralism and differences of opinion and antagonistic policies as part of the larger political system. By exercising anonymous trust and pluralism under the umbrella of a universalistic state at the top gradually clan membership could be pushed back. This wouldn't have been possible without the inspiration and influence of the church, which was present already in all the tribes before states were organized, so that on top of this presence larger state units could be built (Rosenstock-Huessy 1938). The individual was loosened gradually from his clan solidarity. In our times the individual has been loosened from group ties to such an extent that he or she may even lose a sense of belongingness. If too much authority and traditional in-group mentality is the curse of Africa, the curse of modern Western society is the uprooted individualism of individuals without belongingness (Hardt 1995).

### 3. Power distance, egalitarianism and feedback mechanisms

After all that has been said about individualism, egalitarianism and collectivism, we can be shorter on power distance. In Africa, but also in India and China, the boss is much more the boss, generally speaking, than it is the case in the West. His word is final. He will not be opposed or criticized, not in public at least. But this is not without a price. The managers at the top of the hierarchy may hardly have sufficient knowledge about the problems at the shop floor. If such a feedback loop from the bottom to the top is lacking it is easy for management to innocently make wrong, uninformed and biased decisions. Differences in power and status may make the top of the hierarchy indifferent towards the bottom. One typical case is seen in the Indian government efforts to help poor farmers in rural areas (Gupta 2012). It sets aside huge amounts of money for poverty alleviation, and development of the rural areas, by serving them with renewable energy and clean water provisions. However, the bureaucratic process from top to bottom, skims the money and other resources to such an extent that by the time they reach the bottom of the societal pyramid often not much is left for the intended beneficiaries. In the mostly paternalistic management style of the African countries similar problems do arise. An important reason that small and medium-sized enterprises do not grow is due to the fact that the employees feel bossed around so much that this kills their initiative and creativity (Kroesen, Darson & Ndegwah, 2015). As a consequence they do not feel responsible for the company and they prefer to start their own business if they can. As a result the company may not benefit from them; their individual judgment is not exercised and a professional attitude is not developed.

For our purposes it is important to note that egalitarianism/individualism over against hierarchy/status/power distance is not a static distinction of two opposites. There are always and there always have been trade-offs between the two and there is mutual interpenetration. In a sound and healthy business environment a change and exchange can take place between obedience of the employees on the one side and an individual and professional judgment of the employees on the other side. If employees express their individual judgment, often based on their professional knowledge, in fact at that very moment they are on an equal footing with their bosses. On the basis of their professional knowledge they can challenge their authority. Actually there is no authority at that moment. They have become partners in solving the problem before them, despite their differences in position. In China expressing criticism of them is still so dangerous that it often can only be done during a party when the employer and the employee are both drunk. The next morning seemingly everything has been forgotten and didn't take place. But the boss does well to remember what has been said to him at that one moment of openness and do something with it. Actually, we are better off if we can move from one value to the other, between egalitarianism and hierarchy and participate in both, openly and explicitly. Here too, like in the other examples mentioned, alternation and mutual interpenetration and mutual correction of different values seems to be the most efficient.

### 4. Initiative, uncertainty avoidance, shame and criticism

In taking initiative, and while confronted by uncertainty, by shame and/or criticism, our relationship towards change and towards the future is at stake. Uncertainty avoidance points to the difficulty of leaving one's comfort zone and going into the open with an uncertain destiny. It is easier to stick to the past, to the existing rules, and remain on the safe side. People who stick to tradition do not take unauthorized initiatives, because the stakes and risks are high, especially in closed in-group societies. As an example the situation of electricity provision in the inland of Surinam can be mentioned. Diesel powered generators are ordinarily used, while the fuel needs to be brought in by airplane due to lack of infrastructure. The installation and maintenance of PV systems would be easier and cheaper. But not only do vested interests stand in the way of change, there is also a cultural obstacle. Risk and uncertainty avoiding civil servants do not take the initiative to develop an alternative energy policy. If they do so and fail, they will lose face (Lieuw 2013).

Each value always implies a specific way of dealing with time and with social relations (Joas 1999). In the case of taking initiative a person is actually bridging the tension between the past (go with the flow) and the future. This implies change, and possibly disruption (Rosenstock-Huessy 1981). It means to take the next step, involving and convincing others to create a support base. Whoever takes initiative is trying to convince others to take the next step with him. That is what it means to be in dialogue: the attempt to bend the inclination of the other participants. The one who is criticizing, however, did already put himself more or less outside of the group he is criticizing. He or she is on his or her own. He or she is taking a leap forward or may be even be thrown out. Such a leap forward often is a lonely way into the future and takes courage and overcoming of shame. Shame as well has to be understood as a social phenomenon. It describes our relationship to the group we are part of, or maybe, depart from. Shame is felt by those who are on the verge of falling outside of a group (Rosenstock-Huessy 1981). Such a person feels like a stranger within his or her own environment. Criticism and shame often go together. The

one who is leaving the group and putting himself outside of it in criticizing it still feels the loyalty towards the group and has to overcome the shame of not belonging anymore to it. Sharp criticism is often coming from disappointed loyalty.

It is important to note that understood in this way, initiative and criticism are a continuum. They mutually interpenetrate one another. The distance towards the group can be bigger or smaller. Criticism and dialogue can go hand in hand. Every criticism towards the group can be accompanied by more or less loyalty. The more loyalty there is, the more difficult it is to express criticism. Innovation implies uncertainty, criticism and initiative or out-of-the-box thinking (and acting!). Otherwise it would not be an innovation but rather repetition. Nowadays everybody wants innovation but real innovation unavoidably is a lonely process, often without much recognition. The one who really goes along untrodden paths should not expect gratitude from his fellow humans.

African traditions know about initiative, dialogue, criticism, as well going against the group. Although a collectivist and traditionalist attitude is strong and has always been strong in the tribal African traditions, the tribes as well had to alter their ways may times as a matter of contingency. For instance, the Pökot people of Karapökot, North-western Kenya always circumcised their boys and girls, but due to frequent attacks from their neighbors (the Sebei, the Karamojong – of Uganda – and the Turkana – of Kenya), they stopped and only retained it among the girls. For the boys they adopted a plain ritual called sapana that was borrowed from their Turkana neighbors and never included the cutting off of the foreskin (Ndegwah, 2004: 87). Thus choices had to be made, alternative policies were proposed. Within and among the tribes like in modernity there was enough to differ and quarrel about. By means of the age group system checks and balances were installed. Every generation, comprising a time that span between 4 and 15 years, would form an age group and have its turn to obey and rule and abdicate. If the ruling age group goes too far in autocratic rule, or if the chief as tribal leader would go too far, the elders would criticize him, the next age group might counterbalance or revenge a detested policy and so on and so forth. In the Western tradition change and initiative, or the predominance of the future over the past, has received increasingly emphasis and has become an established part of society, if that ever can be the case. Since the French revolution the word "new" has become an attractor and change has become more legitimate than tradition. Too

much (empty) change and novelty may even become a problem, if consumers need to be convinced from day to day they should buy a product because it is "new".

This predominance of the future might not have come about without the orientation on the future derived from the Jewish Christian tradition within European history. The orientation on prophets criticizing the powers that be and martyrs and revolutionaries suffering in the process of changing society was the revolutionizing power of the West (Rosenstock-Huessy 1938). By this inspiration the lower echelons of society took the courage to change their ways. This revolutionary spirit and taste for change also became part of the secular mindset in the thrust forward set in motion by the French Revolution and even the Russian Revolution. It strongly marked the Western tradition.

# 5. Achievement, labor, experimentation

Status can be derived from position or achievement. Status by position means that it is derived from traditional loyalties, family ties, caste or patronage. Status by achievement points to personal ability and success. The relation

between achievement and labor should be emphasized in this regard. Achievement implies labor and in traditional societies those at the top do not have to work, at least not do laborious work – labor. Often those at the top of the firm take decisions, but do not enter the shop floor due to power distance and difference in status. In India a lot of professors are Brahmin, including in entrepreneurship; and yet Brahmin are usually not entrepreneurs, because it does not befit their status. Historically the attitude towards labor is related to the attitude towards change, to the future. This change in attitude towards labor has been brought about by the monasteries in the West (Ferguson 1962, Rosenstock-Huessy 1993) during the Middle Ages (with parallels in Buddhist traditions in India and China), a change that later by Protestantism was translated to society at large. Labor wasn't any more a matter of contempt, but a value. In order to improve life and lead people on the way of future justice, labor was to be honored and valued (Weber, 1963). Frugality, time management, team spirit, labor – all these human character traits and values have their source in the commitment to install a higher level of justice and of cooperation. Affiliated with those values is also scientific experimentation (implying labor) as a way towards progress. Progress does not come from idleness and contemplation of the happy few at the top (like in platonic philosophy), it comes from intellectual effort exposed to laborious experiments, experiments that were necessary to realize change, in search for future justice.

For our purpose, a more dynamic understanding of values, it is important to point out that the "attitude" towards labor is not so much an attitude, but more a movement, an act. In labor and in planning I objectify my powers and my time, I treat my body and my time as an object in order to reach a higher goal (Rosenstock-Huessy 1963). That means that the movement goes from inspiration for future justice towards treating oneself as a means. In the process the social element is also there. If, like in the monasteries or in the Calvinist movement, others participate in the same process of change, that brings an alleviation of an otherwise heavy burden on one individual. Only together we can change the realities in the world outside, by shared labor. Such movements using labor in order to bring about change have always been there. It has been pointed out that in the early times of building pyramids in Egypt the laborers were well taken care of and apparently well motivated to do the job. The vision of future justice overcoming tribal divisions has always been in the background (Rosenstock-Huessy 1963). Anywhere and every time where people were under the imperative to realize larger social and political unity, they had to honor labor, hard work. The difference between these historical movements and modernity may be in the extent to which this attitude has become ingrained in society. In the West, as often has been pointed out, even those who do not believe in any spiritual higher goal, still value labor as if it were a medicine of itself. They are still in the mood although the original inspiration faded away. The question is how long that can last.

#### 6. Universalism, pluralism and equal access

Among the cultural distinctions or "dimensions" often mentioned in the literature universalism versus particularism takes a special place. As one of the cultural values it is supposed to describe a human character trait or attitude. This is true inasmuch as universalism means equal treatment and sticking to the rules and not bending the rules according to privilege or status. But at the same time this very statement shows that individual human qualities and values on the one side and social institutions on the other side are to a large degree intertwined and

interconnected. In societies where rule of law is not firmly established institutionally and where ethnic or caste or patronage related privileges overrule equal treatment by the government bureaucracy, the human character trait/virtue of treating people without preference is also underdeveloped and vice versa. This situation resembles the value of freedom of opinion and expression: if there is no free press the ability of having an opinion of one's own, and to exercise one's individual judgment, freedom of speech and expression will soon be underdeveloped because it is not trained. In addition, if we keep in mind that in Nazi Germany this so-called "achievement" of the West of freedom of expression was easily overrun and oppressed so that nobody had the courage to speak out in public anymore and everybody followed the group and the horde, we are warned about the fragility of such values.

In traditional African societies often the council of elders had the role of creating some level of equal treatment and preventing autocratic and arbitrary rule by the Chiefs. In a sense they were the embodiment of the rule of law. The age groups which kept each other in check also were an important means. The increase of technological and economic scale changed all that. After the decolonization process it seems that everything went wrong in Africa (Ayittey 2006). The voice of the elders and of the tribal institutions was suppressed, traditional markets were even forbidden and instead the governmental bureaucracy tried to run the economy, and a non-African type of tyrannical and autocratic rule came into being like there never was before. How come? It is not only due to the example of the colonizers, because under colonial rule there were sometimes more freedoms than after the decolonization (Ayittey 2006).

A factor that contributed enormously is scale. We mentioned this phenomenon before. A larger scale society needs more abstract systems of checks and balances, like established in rule of law, and needs more general, non-personal and neutral or anonymous trust and shifting memberships, mixing the populations. If this larger scale is introduced with and in-group mindset everything goes wrong. Modern technology and modern bureaucratic systems made it possible to rule and control the lives of many tribes and ethnic groups by means of the centralized government bureaucracy. In the same process the traditional checks and balances on power were removed. The technical novelty of having a standing army provided with modern weaponry put the option of dethronement of a chief or any other form of rebellion from below out of function. Control of the state by a coalition of tribal elites prevented the emergence of an open civil society by controlling the bureaucracy in order to keep the other tribes in check. It may not have been a policy deliberately designed by some awkwardly bad people, but it has to be considered as a process that was unavoidable due to the increase of scale and the lack of trust between the different groups constituting the society.

As long as the tribal and ethnic groups are not dissolved into a civil society of individuals changing their coalitions, a civil society also secured by public trust, there is no other way of expressing one's opinion and defending one's interests than via the group, with preferably a strong man at the top, who gets things done. That clarifies the task put before Africa today – how to translate old traditions of tribal democracy into the large scale political institutions of an open civil society and universalist rule. In European history the same problem has been a long-lasting obstacle for economic development and technical advancement. The dissolution of the tribes due to the monastic movement, later the city movement, later Protestant congregations, later individual genius and public opinion, has been a decisive factor of change in Western history (Rosenstock-Huessy 1993, Berman 1983). But change from the

bottom up couldn't have had a lasting effect if it wouldn't have been supported by the emergence of rule of law from the top, equal treatment, law enforcement, to which also the governmental authorities (and the church authorities!) were subjected. From that example it might be learned that this change is inevitably a slow process with many setbacks. A civil society consisting of free individuals with changing memberships at the bottom and universalist rules from the top are mutually conditional. A mutual interpenetration and balance of strong hierarchy, strict rule of law and accountable governance is required (Fukuyama 2010).

#### B. Values, responsibilities and the power of inspiration

After having given some examples of the mutual interpenetration and correction of opposing and different values and of the historical worldwide transition towards a larger scale society, it is time to turn to our second proposition. Our second proposition pertains to the question whether a cultural value is adhered to intensely and spiritedly/passionated or just dragged along unconsciously and without noticing (Rosenstock-Huessy 1993). The question is important, because the societal function of a particular value may differ widely according to this alternative. This question is much easier to handle now that we have seen to what extent people are constantly shifting and juggling between different values. Not some values may be better than others, but the right order of this plurality of values and the mutual correction of values may be more fruitful and effective. However, not all values are equally at the core of our inner identity and passion. Besides, that inner identity is changing over time, even sometimes adopting new core values. Individual human beings do so continuously, and even entire groups or communities acquire new cultural garments. Values and attitudes are not held onto or craved for with the same vigor and passion indiscriminately through time. It makes quite a difference whether a value is maintained more or less as a matter of fact, or with an intensely spirited effort.

Some examples may suffice. The paternalistic collectivism of South Korea became an intensely spirited value after the destruction caused by the Korean War, when at the same time the nation was threatened by communist neighbors. All resources were mobilized for the good of the nation under authoritarian paternalistic leadership (Chang 2007). Due to that inspiration and all its deficiencies notwithstanding, paternalism most effectively held the country together and protected it against undesirable external influence. It gave the leaders the courage for longterm investment in the building up of productive capacity of their own nation. This attitude differs widely from the general paternalistic attitude in many African enterprises in our time. Here paternalism is dragged along habitually but not with vigor and real conviction. It does not answer to a real internal need or an external imperative (Jackson et. al. 2008). Nevertheless, a paternalistic attitude can also be deliberately cultivated to train and educate the workforce to adopt a combination of discipline, professionalism and individual judgment. The Ubuntu Company in Durban, South Africa (Kroesen and Rozendaal 2010) is a case in point. In this company 70% were the majority female workers who produced sandals, designed by Dutch students and marketed in the Netherlands. From the onset, it was marked by a paternalistic form of management in which authority and commitment/care was combined. Strict application of rules like being timely on the job, not sitting idle, was combined with opportunities for open feedback from the workforce and a lenient attitude towards family responsibilities if these interrupt the work.

Part of it was a strategy to make the workers more responsible for their own work. They could propose improvements, alternative procedures, raise their voice and all of this was encouraged by the management. It was paternalism combined with individualism and commitment, and that combination made it work. A paternalistic attitude can be demeaning, but not all "fathers" are autocratic. Paternalism as a management attitude can be successful depending on its commitment and inclusiveness, if it avoids preferential treatment (Jackson et. al. 2008). Maybe the combination of such opposite values and attitudes like paternalism and individualism can only be upheld if a high level of commitment and a spirited life bridges the gap between the opposites. The liberation struggles in Africa were led by the "fathers of the nation" all over the continent, and by that time paternalism was immensely spirited and intense. It created stronger bonds of cooperation. Different times foster different values. The struggle against apartheid in South Africa for instance created internal solidarity and a more open civil society, cooperation and exchange, between the South African ethnic groups. After these struggles and when the attention of international public opinion and NGOs faded away, the influence of particularistic bureaucracy and ethnic division increased. The role of civil society diminished drastically (Wiarda 2003). Apparently it was the pressure of apartheid that had kept the spirit going. So many times crisis is a basis for inspiration. As a historical example the five-year plans of the former Soviet Union may be recalled. After the 1917 revolution the Russians organized the economy by means of comprehensive five-year plans. These plans were the logical application of the "scientific socialism" of the time. State planning supposedly was more efficient and would replace private ownership with its arbitrary exploitation of the workforce. These five-year plans were executed with vigor and conviction, and violence as well. The regions of the USSR were treated as indifferent to each other and as merely resources for efficient production. No difference was made anymore between the Asian tundra and the European part of Russia. The USSR was treated as one big factory in which everything and everyone counted as a force in the scheme of efficient overall production. The emerging middle class, the kulaks, of that time were ruthlessly prosecuted and crushed, because they did not fit in this centralized planning machinery (Rosenstock-Huessy 1993). They had too much a group identity of their own. In Europe efficient individuals would at the same time represent a profession as well as a social group. In Russia the individual could only succeed as an individual by breaking with old loyalties, for the sake of a materialistic theory of history and the concomitant social engineering. Scientific calculation of forces with a cynical attitude is what constitutes the mentality of the Russian Bolsheviks of that time. Acting in that vein they were both destructive and successful. They were destructive due to their one sidedness - everything which could not count as a force in the total scheme of things was cynically neglected and removed or mistreated. They did not take into account any form of a mutual interpenetration of values and approaches as the more effective strategy, as it has so many times been proposed in this contribution. However, they were successful to an extent nevertheless because they were inspired and willing to sacrifice. Sacrifice themselves if necessary, but others as well, like the kulaks who in their view represented the outdated bourgeois society. The Soviet Union has known a long tradition of deporting dissenters to work camps in Siberia. The force of oppression was also the force of conviction. And indeed the central planning mechanism proved to be resilient with respect to the Great Depression of the 1930's and strong enough to build up the Russian economy during the 1950s and 1960s after the Second World War (Hobsbawn 1994). The power of inspiration and conviction enormously contributed to the success. After the rule of Chruzhev who denounced the atrocities of the work

camps the economy stifled under Brezhnev and the inspiration faded away. In the end, in the process of the dissolution of the USSR and the fall of the Berlin wall in 1991 the Communists did not believe anymore in their own cause. Nevertheless, whether for better or for worse, this case shows what inspiration does in adding to the intensity by which particular values are proposed and advanced.

It should, however, also be recalled that the Soviet model had a tremendous impact on India, the Arab states, but also on Africa and Latin America. It offered a model for the centralization required for newly formed nation states after decolonization. The "scientific" total calculation approach of socialism seemed at the same time an ideology apt to overcome tribal and clan divisions. On top of that it seemed to be an instrument to outcompete the liberal capitalism of the Western nation states as old-fashioned and outdated in comparison to this more "comprehensive" approach. The need for centralized control of the government by the new elites in Africa (although resting on ethnic support, tribal coalitions and patronage) and scientific planning by socialism seemed to offer a match. It worked as long as it lasted. It could not last, because it did not take the diversity of society and different social groups into account. Instead, it promoted only one exclusive set of values. It tried to reduce humans to numbers, which was its force in the short term and its weakness in the long run.

#### Economic culture and values

Not every set of values is equally conducive to economic flourishing. Harrison identifies 10 values or mind-sets that distinguish, as he calls it, progressive cultures from static ones (Harrison 2010). Among them are some we discussed already. With regard to time orientation, cultures that emphasize the future and in which people influence their own destiny are more conducive to economic development. Work is central to the good life in progressive cultures but a burden in static cultures. Merit is central to advancement in progressive cultures, where the radius of identification and trust goes beyond the family ties and proximity. Progressive cultures create equal access, justice and fair play; authority is dispersed and there is more room for the secular sphere. Porter (2000) puts is more succinctly:

...the productivity paradigm gives rise to a whole series of supportive attitudes and values: innovation is good, competition is good, accountability is good, high regulatory standards are good, investment in capabilities and technology is a necessity, employees are assets, membership in a cluster is a competitive advantage, collaboration with suppliers and customers is beneficial, collectivity and networks are essential, education and skills are essential to support more productive work, and wages should not rise unless productivity rises, among others. These can be contrasted with unproductive attitudes and values: monopoly is good, power determines rewards, rigid hierarchy is needed to maintain control, and self-contained family relationships should determine partnership.

Both Porter and Harrison call for cultural change in order to attain the development goals. Although their criticism cannot be dismissed and change should take (and is already taking) place, the question remains whether there is a one fits all solution in applying the right set of cultural values. In this respect Porter's opinion is significant in its ambivalence. On the one hand Porter (2000: 27) states that the convergence of economic ideas and the pressures of the global market have "reduced the scope of cultural variables to influence the economic paths societies

choose," but he also emphasizes that in a global economy "cultural differences that give rise to distinctive products and services should become more celebrated (Porter 2000: 28)."

Between those two statements there is ample room for a new research agenda. On one side it is clear that not anything goes in terms of values. That for instance Africa does produce so little and cannot compete on the global market in making finished products is undeniably related to African cultural traditions (Tshikuku 2001). On the other side it is still an open question in what direction precisely African societies should move and will move. Maybe the best cultural analysts are not yet equipped for that question. Since the future is never a copy of the past it is more of a political than an analytical question. That means that the answer takes a sense of timing, a sense of future chances and opportunities. It also needs experimentation and learning from each other and it needs a historical orientation. If we cannot know the future in advance, we at least can learn from the mistakes of the past. Analytical research is not sufficient. It is focused on the present and only that part of the present that can enter into its distinctive and limited conceptual clarity. By focusing on mere data often the dynamic and multi-faceted truth is sacrificed to a commonsense understanding or worse, to any form of understandability whatsoever. Such "analyses" often lead to paradoxes, for instance, when religion is uncritically identified as a retarding force, while at the same time it is ascertained that ascetic Protestantism caused an important change in the attitude towards labor, which is basic to modern economic performance. Both views are derived from what is "commonly" understood with an emphasis on the word "commonly" and not on "understood".

Different value trade-offs will for certain lead to different futures, but only if they are adhered to spiritedly and passionately. In the 1990s intercultural management professionals predicted that "Confucian dynamism" might outperform Western style egalitarianism and individualism, and the achievement motivation contained in it. Confucian dynamism was understood as a mix of thrift, perseverance, hierarchy, but with the exclusion of "the static values traditionally found in Confucianism (Franke et. al. 1991: 172)." Western individualism, the authors contended, might turn out to be a dependent variable, dependent upon economic performance rather than conditional to it. Are they right or wrong in their judgments? They may as well have misconstrued their concept of "Confucian dynamism" impressed as they apparently were by the economic growth in the Asian nations (Fang 2003). Whether the authors are right or wrong may not be dependent on the right analysis, but on the measure of passion and spirit that goes into either individualistic egalitarianism or Confucian dynamism. It is impossible to predict in which direction the spirit moves and the spirit might move different people in different directions, which is probably the better option. This may lead to a polyphony of cultures and consequently of economies (Rosenstock-Huessy 1993). That might be more interesting than a uniform global society. Returning once more to the quandary of African societies, we may hope that they will not only absorb the heritage of Western civil society values, but also transform them, carving a new path into the future for the benefit of all humanity, an African paradigm that isn't necessarily completely new, but at minimum a new blend of our common human heritage.

#### Conclusion

The authors have abandoned the usual analysis of static cultural dimensions, because cultures are not repetitive and do not exist in a steady-state, but they are always on the move as they always have been. As members of such

a culture (or subculture) each of us is also constantly moving from one value to another, confirming the past and innovating the future in the process. In a sense we are thereby taking part in the creation of humanity, since our innovations, if they make sense, will become part of the heritage of the next generation. Culture is a journey through time and we are all moving through landscapes where none of us went before.

For intercultural management this means that in each situation we have to find a path dependent way forward. We are bridging the gap between past and future in each step we take. A particular business culture can be established in a particular enterprise and be cultivated and fostered as part of the innovation path. Part of a cross-cultural business plan should therefore be a conscious and intentional deliberation about the codes of living together and of cooperating in this company for joyful and fruitful relationships, but also for survival on the marketplace. Such consensual agreements are of a temporary character and they should be timely construed and maintained in order to be effective. In this way time bows are created, particular procedures or sets of procedures that can last for a while. Such temporary agreements should find a timely and temporary solution on the four eternal challenges of reality (Rosenstock-Huessy 1970): 1. How to respect the achievements and values of the past, 2. How to deal with imperatives and requirements that are urgent considering the future, 3. How to find agreement between different stakeholders and subjects involved on the steps to be taken, 4. How can these agreements and temporary solutions be effectively implemented in the world outside? Responsible attempts to deal with such path-dependent challenges create temporary economic cultures, that can be productive and effective at that time.

In order to do justice to each of these four challenges changeability and flexibility is a necessity, but it should not be arbitrary flexibility. It should be the flexibility of responsibility, responding to ever new challenges and circumstances. Such responses cannot be calculated and designed from behind a desk. "It is our soul that calls upon our name" (Shakespeare): a new answer can only originate in a creative jump forward, right or wrong, in view of a practical predicament and quandary or crisis. Creative combinations of values as much as creative combinations of technical options are "seen" in a flash, in a split second, even if they have to be belabored by much transpiration that always follows the moment of inspiration. This means that on-the-job exposure needs to go before scientific reflection.

This approach requires a change of the research agenda for intercultural management. The time perspective is added to the usual scientific approach of conceptual models and empirical data. A certain confluence of values cannot only be studied any more in a static way, because while being studied, they already change. They themselves exist as a process of change as we have shown so often in this contribution. Thus the need for a research agenda that studies how values interact with each other and describes them in the way phenomenology does, i.e. articulate them while they evolve and follow them in that process (Levinas 1961). Through the interaction and confluence of values people will always have to enter new terrain and be ready to thread untrodden paths. They have to respond to the needs, imperatives and challenges of the future. Such futures cannot be logically derived, but can only be passionately longed for "tried", "attempted" (Kroesen 2015) and tested.

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# DEMYSTIFYING CULTURAL GENDER DISPARITIES EXPERIENCED IN SOCIO-ECONOMIC AND POLITICAL DEVELOPMENT IN AFRICA

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# ABSTRACT

Gender disproportions have been part and parcel of most African cultures since time immemorial. Demographically, women are over a half population in most of the African countries but their participation in sectors of socio-economic and political spheres have remained inadequately represented. The enduring and biased beliefs on gender roles that view women much less important as compared to men are what forms the basis of concern to the welfare of women and most importantly the women entrepreneurs. This study reveals the longstanding cultural practices that have contributed to gender inequality and goes further to demystify areas in which women have continually experienced inequality and thus affecting their entrepreneurial spirit. Through the desk research methodology, it can be deduced that the following are key areas that pause a threat to women socioeconomic and political development and hence the inequality being experienced even today in the twenty first century: harmful marriage, female genital mutilation, wife inheritance and HIV scourge, access to land including land rights and right to property, over-emphasizing patriarchal system of family, and gender violence. These factors compounded together, have resulted for unfortunate experiences that have been witnessed in the education sector, political participation, participation in policy making, gender division of labour and inaccess to credit facility. These experiences have severely thwarted entrepreneurial growth of women. The study therefore recommends that there is imperative need for a paradigm shift in these areas to ensure women are not only liberated and empowered but also their full participation in the entrepreneurship activities are highly strengthened and promoted.

Keywords: Culture, Gender, entrepreneurship, Development

# INTRODUCTION

#### Background

African continent is one of the largest continents of the world and it's a multi-ethnic society with its peculiar nature and diverse practices. It has more than 250 ethnic groups with different cultural practices, which some have endured centuries of practice work for the people (Ojua, Ishor and Ndom, 2013). In Kenya, for example, some of the ethnic groups include: Agikuyu, Luo, Abaluyia, Akamba, Kalenjin, Gusii, Ameru, Mijikenda, Somali, Turkana, Maasai, Aembu, Taita among others (Chilungu, 2010).

Gender imbalances have existed in most African cultures for a long time now. In most African countries women constitute a greater number compared to men but they remain underrepresented in many areas of socio, economic and political activities. This is mainly due to long-standing traditional beliefs concerning gender roles, which are mostly based on the premise that women are less important, or less deserving of power, than men. Culture is an important capability that people bring into development. It influences development through its various forms of expression; attitudes and behavior related to work, reward and exchange; traditions of public discussion and participation; social support and association; cultural sites of heritage and memory; and influences on values and morals.

Development and growth require shifts from low to high productivity, the creation and adoption of new goods and services, new skills and new knowledge and these shifts can only happen by entrepreneurs who are the architects of "capacity creation" for productivity (Delwa, Bashar abd Bakar, 2014). Women who are culturally denied the opportunity to prove their worth end up not displaying this capacity and as such, economies of the most of the African countries remain dwindling for the longest time ever for lack of incoporating the women's input. Most importantly is the need to allow women entrepreneurs to take full charge in steering the growth a country. Kanchama, Divya and Beegom (2013) posit that an entrepreneur plays a significant role in the economic development of a country.

Mohammeds, Fauziah and Yusoff (n.d), for example, state that women's participation in the economic activities in the developing world is mostly confined to the informal sectors of the economy. The underrepresentation is evident in vulnerable areas of employment such as unpaid family work, seasonal agricultural labourers and domestic servants. Female entrepreneurs are highly marginalized and disempowered in the formal sectors in the developing world econommies.

In this paper, we shall be exploring the meaning of culture and how it has influnced inequality in development today in Africa. We will demistify what inequality is in light of culture and by examples discuss how women in particular have suffered gender inequality in development as a result of culture.

#### Methodology

This is a review study of the literature which focused on determinants of cultural gender disparities which have continued to undermine women in area of socio-economic and political spheres. The study is presented based on

the secondary data. The secondary data was collected from a number of publications which relate to the topic under the study. A general search was conducted using the names Culture, gender and development, and entrepreneurship. Information was sort from journal articles, conference papers, and others by making use of the internet. The information was considered useful and relevant as it addressed the objectives of the study.

# REVIEW OF THE STUDY: DEMYSTIFYING CULTURAL GENDER DISPARITIES EXPERIENCED IN SOCIO-ECONOMIC AND POLITICAL DEVELOPMENT IN AFRICA

#### The Concept of Culture

Culture- the distinctive patterns of ideas, beliefs, and norms which characterise the way of life and relations of a society or group within a society (Baden and Reeves, 2000).

Culturally determined gender ideologies define rights and responsibilities and what is 'appropriate' behaviour for women and men. They also influence access to and control over resources, and participation in decision-making. These gender ideologies often reinforce male power and the idea of women's inferiority. Culture is sometimes interpreted narrowly as 'custom' or 'tradition', and assumed to be natural and unchangeable. Despite these assumptions, culture is fluid and enduring (Baden and Reeves, 2000).

Dominant cultures reinforce the position of those with economic, political and social power, and therefore tend to reinforce male power. Globalisation also has implications for the diffusion of culture, particularly of western culture.

The defence of 'culture' and 'tradition' is often used by men to justify practices that constrain women's life chances and outcomes. Interventions to challenge power imbalances proposed by local women's organisations or Nongovernmental Organizations (NGOs) are often denied legitimacy, or where an international agency is involved, denounced as 'western' interference or 'cultural imperialism'. Many within the international development community also remain resistant to goals of gender equity because they perceive these as interfering with the most intimate domain in society. Some women have themselves defended ideas of 'culture' and 'tradition' in order to hold on to what little power they have, or as a form of resistance. For example, before the revolution in Iran, women took up the veil to show resistance to the processes of westernisation that the country was experiencing (Baden and Reeves, 2000).

Nevertheless, there are real issues of concern for local women's groups when externally initiated interventions are tainted by colonial attitudes. In the past, women were often seen as 'victims' that needed protection. Male colonisers, however well intentioned, perpetuated this paternalistic idea to justify their colonial domination. More recently, certain western feminists have also colluded in this notion, giving overwhelming priority to such issues as veiling, arranged marriages, and female genital mutilation, at the expense of other perhaps more immediate concerns. Southern feminists challenge this idea of women as 'victims'. They want to set their own agendas - which may imply redistributive action or tackling poverty - and gain support for these from western feminists.

#### Gender inequalities: What Causes the Inequality in Africa?

The oppossite of inequality is equality. Gender equality calls for women and men to have equal rights and entitlements to human, social, economic and cultural development, and an equal voice in civil and political life. This does not mean that women and men will become the same, but that women's and men's rights, responsibilities and opportunities do not depend on whether they are born male or female (Bartels-Ellis and Franklin, 2011). Many people remain unaware of how inequality (also gender difference or discrepancy or inconsistency) occur in our society. But as Njogu and Orchardson-Mazrui (n.d) indicate below:

Gender is a social construct which asserts that the expectations, capabilities and responsibilities of men and women are not always biologically determined. The gender roles assigned to men and women are significantly defined – structurally and culturally – in ways which create, reinforce, and perpetuate relationships of male dominance and female subordination. Through the process of socialization within the family, in educational institutions and other social spheres, boys and girls are conditioned to behave in certain ways and to play different roles in society. They are encouraged to conform to established cultural norms by being rewarded or punished for their behavior. At times, the places women occupy in society are essentialized through claims of innate predispositions. This conditioning and stereotyping could easily have the effect of questioning the capability of girls and women to perform certain tasks. Repeated regularly, it may solidify and become difficult to uproot from the mental frames of people.

But it is not just through socialization that inequalities are planted. Glaring gaps in policy, legal frameworks and investment opportunities make it difficult for women to perform to their full potential in social, economic and political spheres. For example, government policies and practices may view the jua kali (informal sector) and subsistence farming, dominated by women, as not requiring as much support as the foreign-exchange earning and export-oriented economic activities associated with men. The lack of support leads to poor performance and sustainability. But a closer look at sub-Saharan Africa shows that the survival of many countries depends heavily on activities associated with women in the jua kali sector. Furthermore, there are laws that deny women access to land ownership and opportunities to invest freely. These laws function as a handicap to women's economic capabilities and perpetuate a culture of dependence. Yet the economic independence of women is a major stage in bridging inequalities, preventing violence and fostering self esteem and well-being. Economically independent women are more likely to assert and demand their rights whenever they are violated. They are also likely to mentor girls and function as their role models.

In order to see the inequalities clearly one would need to scan various domains of life and to question them vis-àvis roles accorded to women. Gender inequality manifests itself in a number of spheres within the family, labor market, politico-judicial structures and in cultural-ideological productions, for example in the mass media. Values, norms, and practices enshrined in domains of social interaction may contribute to fostering inequalities, reinforce gender related power differentials or increase violence against women. For instance, the cultural practice of son preference may contribute to denial of girls' access to education and curtail their opportunities in life. It may lead to early marriage and the onset of childbearing. In addition, perceptions that politics andeconomics are principally

the preserve of males may lead to disparities in political, economic and social participation, decision-making and leadership. In spite of these deprivations, it is important to recognize that gender equality and women's empowerment are an integral part of national development, peace building and conflict-resolution. They are at the center of humanizing the world. Whereas interventions to redress these inequalities could be political and economic, others may be cultural.

A closer look at the cultures of this region may show practices that have had potential of contributing or promoting gender inequalities, as we shall show presently.

# The African Cultural Practices that have contributed to Gender Inequality

2.3.1 Harmful Marriage: Practices also contribute immensely to the increasing HIV rates especially among women. Early marriage practices also increases maternal and child mortality since the woman would be biologically, economically and socially unprepared to cater for a family and some young girls end up with vesico-vaginal fistula. Early marriage is still the worm in many parts of the African countries. Some parents see it as a way of protecting their girls from the outside world and maintaining their chastity. In most rural communities, widows are made to swear to deities, shrines and ancestral spirits explaining due to accusations the reasons for the death of their husbands. Some are forces to drink the water of the corpse, sleep in the same room with the corpse, eat with unwashed hands, among other practices All pointing to the fact that if they survive they are innocent of the accusations (Ojua et al., 2013)

As Ojua, et al., (2013) note, in almost every part of African society, it has almost become an acceptable norm and practice for men to have concubines outside marriage especially when their wives are pregnant or have just put to birth. This increases considerably the chances of contacting and spreading this deadly disease. Also because of the large age gap between husband and wife, lack of education and low status, young married girls cannot negotiate condom use to protect themselves against HIV and other Sexually Transmitted Infections (STIs).

# Female Genital Mutilation (FGM)

Male and female circumcision is another cultural practice that enhances the transmission of HIV. Apart from other attendant obstetric problem that female genital mutilation may bring, it puts women and girls at risk of contracting HIV from unsterilized instruments such as knives, and broken glass that are used during the procedure, this is because most of these circumcisions especially female genital mutilation are done in the villages where no form of asepsis is taken into consideration (Ojua, et al., 2013).

Gachiri (2000) notes that FGM or 'female circumcimsion' is globally practiced as a cultural practice; Egypt, Ethiopia, Kenya, Nigeria, Somalia and the Sudan account for roughly 75% of all cases. According to Gachiri, the World Health Organisation classifies the practice in four ways (Procedures):

Type i. Clitoridoctomy – Excision of the prepuce, with or without excision of part or the entire clitories.

Type ii. Excision – Excision of the clitoris with partial or total excision of the labia minora (small lips at the opening of the genitalia). At times even part of the labia majora (large lips) are removed. This is the most common of FGM, comprising up to 80% of all cases in the world.

Type iii. Infibulation – The Third and most severe form of FGM. The word infibulation means to fasten with a clasp or buckle (like that of a belt). The procedure involves the excision of the clitoris, labia minora and at least two thirds or the whole of the labia majora. The two sides of the vulva are then sewn together to close up the opening of the vulva. A small opening is left for normal bodily functions of urination and menstruation.

Type iv. Unclassified – This includes:

- Pricking, piercing, or incising of the clitoris and/or labia;
- Stretching of the clitoris and/or labia
- Cauterisation by burning of the clitoris and surrounding tissue;
- Scraping of tissue surrounding the viginal orifice or cutting of the vagina;

• Introduction of corrosive substances or herbs into the vagina to cause bleeding for the purpose of tightening or narrowing it;

• Any other procedure involving partial or total removal of the external female genitalia or other injury to the female genital organs whether for cultural, religious, or other non-therapeutic reasons.

The above description gives some understanding of the three feminine sorrows coined by infibulated women, (i) the sorrows on the day of mutilation, (ii) the wedding night when the opening must be cut and (iii) birth of a baby when the opening must be enlarged and often restitched. Pain is the major accompaniment at each point and the circumcision causes an enormous blood loss from women who are already malnutreated, under-nourished, ill and overburdened with many chores (Gachiri, 2000).

# Inheritance and HIV Scourge

The cultural practice of subjecting women to sex as objects and that when their husbands die they end up being inherited spreads and make the HIV reported cases high. By the end of 2002, an estimated 58 million people had acquired HIV infection worldwide. Of these about 22 million had died (Helen Jackson 2002:9 as cited in Njogu and Orchardson-Mazrui, n.d). In sub-Saharan Africa, 3.4 million new infections were reported in 2001, compared to 3.8 million in 2000 and 4.0 million in 1999. The situation remains serious and precarious. Also in Africa, 54% of adult infections by 2002 were women. Moreover, women are in general infected at a younger age than men. And they die younger, because AIDS related deaths in women in sub-Saharan Africa peak in women in their 20s, whereas the deaths peak in men in their 30s and 40s. The early infection of women is partly attributed to cultural practices that deny women the right to make decisions related to their bodies.

# Access to Land (Land Rights and Right to Property)

Women's rights to equal inheritance, to equal shares of matrimonial property, to recognition as legitimate and legal owners of land and property, who can buy, sell, lease and raise loans on the basis of that property, are denied all over the world, in a wide range of cultures and communities (Abeyesekera, n.d).

As Meena (n.d) notes, land tenure systems, for instance, are based on discriminatory policies. While most African states have considered agriculture the backbone of their economies and acknowledge the significant role of women in the agricultural sector, few have paid much attention to the land tenure systems which have been discriminating against women.

Women's access to loans and other credit facilities for agricultural improvement has been constrained by their inability to own land. This being an issue of patriachal system in the African tradition.

#### Pic 1: Studies show that African women-owned farms produce less than men-owned farms (Source: Dlamini, 2014)

The impact of discriminatory land tenure systems on agricultural production; and specifically on production of food crops; is an area which needs careful analysis by policy makers and planners. This problem is more pronounced in countries where the migrant labour system has led to an increase in female heads of household who lack power and control over the land they work. This condition is worsened by the fact that the existing rural credit policies are also blind to the existing discriminatory systems. Women agricultural producers are not benefiting from rural credit facilities and this limits their contribution to promoting sustainable development in this sector.

#### Zimbabwe's Supreme Court Rules against Women's Inheritance

In a case involving inheritance rights, the Supreme Court of Zimbabwe issued a landmark decision in April 1999, giving precedence to customary law over the Constitution. In this case, Venia Magaya, a 58-year-old seamstress, sued her half brother for ownership of her deceased father's land after her brother evicted her from the home. Under the Zimbabwean constitution, Magaya had a right to the land. However, the court ruled unanimously that women should not be able to inherit land, " because of the consideration in the African society which, amongst other factors, was to the effect that women were not able to look after their original family (of birth) because of their commitment to the new family (through marriage)."

The court backed up its decision by referring to Section 23 of the constitution of Zimbabwe. This section recognizes exceptions to the general rule against discrimination when it involves adoption, marriage, divorce, burial, devolution of property on death or other matters of personal law and in applying African customary law. Essentially, by making this judgment, the Supreme Court elevated customary law beyond constitutional scrutiny.

Fig 1: Source: Abeyesekera (n.d)

Over-emphasizing Patriachal System of Family

The African society embraces more of a boy child than a girl child. This has significantly contributed to less participation of girl child such as education. According to Dr. Akubue, the gap between male and female literacy rates in the Third World has been narrowing, although female illiteracy continues to be higher than male illiteracy. Out of an estimated 840 million illiterate adults in the developing world, 538 million of them are women. The female illiteracy rate stands at about 39% in contrast with a male illiteracy rate of 21% (Akubue, 2001).

# 2.3.6 Gender violence

According to a 2010 UN report on violence against women in Africa, the scourge of violence against women in Africa is still largely rampant, but hidden beneath cultural practices and beliefs. This because of a number of reasons, namely (Dlamini, 2014);

• the predominance of the system of patriarchy across Africa has meant that women are still perceived of and treated as subordinate to men;

• violence against women is accepted as the cultural norm in many societies and is often condoned by community and sometimes state leaders;

• the stigma attached to female victims of violence has resulted in very low rates of reporting; and

• often if women do report violence against them, they are either turned away because the authorities see violence against women as a matter to be dealt with privately or within the family, or they struggle to access justice in a criminal justice system that is not informed by or sensitive to the needs of women.

# **Areas Women Experience Gender Inequality**

# Education

Education is said to be a vehicle that break the shackles of poverty thereby leading to transformation, development and progress (Ikoni,2009). Wangeci and Gathungu (2013) also note that the country's level of entrepreneurial activity and consequent economic prosperity can be enhanced by the level of achievement motivation through education and training .With the 2005 MDGs' first deadline for attainment of gender parity in primary and secondary schools' enrolment already has been missed, the ability of women and girls to empower themselves economically and socially by going to school, or by engaging in productive and civic activities is still being constrained by their responsibility for everyday tasks in the household division of labour (CEC Report 2007).

Education is very key not only to men but also to women as the late Prof. Wangari Maathai said in her speech during the 4th UN World Women's Conference in Beijing, China (Maathai, 1995):

"...The privilege of a higher education, especially outside Africa, broadened my original horizon and encouraged me to focus on the environment, women and development in order to improve the quality of life of people in my country in particular and in the African region in general..." Dr. J. E. Aggrey, an eminent educator from Ghana, observed that "if you educate a man, you simply educate an individual, but if you educate a woman, you educate a family" (Akubue, 2001). Among the short-term benefits of educating girls and women are smaller families, better spacing of births, healthier children, less economic dependence, and less vulnerability to abusive spouses. According to Akubue (2001) this is not surprising because in the absence or poor enforcement of legislation on compulsory education for all children, coupled with the tendency to value sons over daughters, girls are less likely than boys to go to school.

As much as women would like to participate in adult literacy programs, their incredible responsibilities and workloads keep them from taking advantage of opportunities. The persistence of poverty among many families also works against the education of girls and women. Due mostly to hardship in poor households, girls are more likely than boys to stay at home to help their mothers with income-earning efforts and other household chores.

In some societies, parents see educating girls as an exercise in futility since they are given away in marriage and the reward of years of education may elude the natal family. Lastly, the impact of colonial perspectives on gender roles continues to influence gender educational opportunities. A curriculum that emphasizes housework, for instance, does not help women improve their capabilities as farmers. This curriculum is, however, sustained on the premise that humanity would be best served if women could "improve the way in which they cared for their children and catered for the family needs. As a result family welfare programs were devised which gave women instruction in home economics, in improved nutrition, health, and hygiene" (Akubue, 2001).

# Political Participation/Barriers

The tenth parliament (2007-2012) had the highest number of female legislators in Kenyan history. However, the percentage of female legislators was only 10.4 percent. Female participation in political processes is limited in several ways, mostly through voter registration processes and voting rules (Gachiri, 2000).

• The high level of illiteracy makes it difficult for women to understand their voting options. In marginalized communities such as the Maasai, the Samburu, and the Turkana, young girls are not sent to school, as their fathers believe that it is a waste of time and money to educate a girl, as her only role will be that of a wife. The Maasai men consider it a worthy investment to educate boys instead.

• Family voting is a practice where women are led to the voting booth by their male relatives or husbands. This hugely constricts their freedom to vote for whomever they please. Having had the opportunity to work with women from the Maasai and Meru communities, I have heard similar stories from several Loita Maasai women, who informed me that their husbands retain their national identity cards (a prerequisite for voting) and only hand them over on election day, when they would accompany their wives to the polling station.

• Raising sufficient resources to fund a campaign for office is extremely difficult, particularly for women who often lack established funding networks or collateral.

• In Kenya, women who run for political posts face societal opposition, from both male and female citizens. Most opt to drop out of the political race. In the 2007 Kenyan general elections, a woman who was running for a

parliamentary seat in Meru's North Imenti constituency dropped out of the race after she was attacked, tortured, and physically assaulted by young men during her campaign.

Women's Participation in Policy Making

Women constitute a very small minority in policy making bodies, such as parliament, cabinet, judiciary and managerial and executive positions in both public and private sectors. In Zimbabwe, for instance, women's participation in legislative bodies since 1980 is as follows (Meena, n.d):

• Women have played a very marginal role in the cabinet. Presently, there are no full-time women cabinet ministers.

• Similarly, in Tanzania, women members of Parliament constitute a very small minority despite the introduction of a quota system, which has ensured the maintenance of a certain percentage of women in Parliament. Women members of parliament have scarcely exceeded 10%.

• This trend explains why most states in this region have not made any fundamental changes in the laws they inherited from the pre-colonial patriarchal structures and those introduced by the colonial patriarchal rule, which favoured men. Such laws include those related to issues of property rights, marriage and child custody.

# Women's Initiatives

Meena (n.d) explains that participation of women in the development process has been constrained by their inability to influence policy making and planning, as well as by their inability to change the patriarchal ideology which continues to legitimize their subordinate status in society.

The majority of women have been participating in the economy as marginal actors in the agricultural sector, where they till land they do not own with the crudest tools and produce crops they do not control.

Others have opted to participate in the informal sector, where there is no state support and where at worst they are victims of state repression because most of their activities; such as street vending or local beer brewing; are considered illegal. The fraction employed in the formal sector participates as semi-skilled, unskilled or low-paid wage earners. They have been victims of the retrenchment measures which governments are pursuing in the name of Structural Adjustment Programmes (SAPs).

#### Gender Division of Labour

According to International Monetary Fund (IMF) report (Woytek, Newiak, Kochlar, Fabrizio, Kpodar, Wingender, Clement & Schwartz, 2013), labor markets and access to economic opportunities across the globe remain segregated along gender lines. Despite some progress in recent decades, female labor market participation is persistently lower than male participation, women account for most unpaid work, and, when women are paid,

they face significant wage differentials vis-à-vis their male colleagues, often in spite of equal or higher education levels. The career patterns of women differ substantially from those for men, and in most countries, senior positions in both the private and the public sectors remain a largely male domain. To unleash the full potential of the female labor force, with significant prospective growth implications, policymakers need to pursue an integrated set of policies to promote and support female employment.

Not having as much access as men inhibits rural women's technological literacy and, definitely, their motor, cognitive, and interpersonal communication skills. Consequently, some researchers have contended that the "most common result of 'development' is to relegate women to the subsistence sector in agriculture and low- paying jobs in manufacturing and industry" (Tadesse, 1982, as cited Akubue, 2001). Manufacturing and Industry Technological development in the modern industrial sector unmistakably has opened up diverse job opportunities for Third World women.

However, questions have been raised about the quality of the jobs thus created. These have been mostly low-wage (Picture: 2), low-skill, dead-end jobs where they are easily dispensable. Lacking the necessary skills and specialization, women workers in modern sector factories "mostly are engaged in non-technological gathering, assembling, arranging and packaging activities and therefore technical skills are not being transferred equally to men and women" (Srinivasan, 1981, as cited in Akubue, 2001).

Picture 2: Women in temporary and low wages jobs

(Source: http://www.handinhandinternational.org/results/kenya/)

# Inaccess to Credit facility

Generally, rural financial institutions still prefer and require land title as collateral for loan extension in many Third World countries. This requirement tends to be partial to male borrowers, since land ownership and title in most cases belong to men (Akubue, 2001).

Lacking outright land ownership and land title commonly required by banks for loan extension almost guarantees lack of funding for the women. The traditional moneylenders' practice of charging usury rates is an exorbitant and exploitative alternative source of credit. Without a propitious rural financial market to count on, women have difficulty mobilizing enough start-up capital for new businesses or expanding existing undertakings. Women, like men, need credit to acquire essential appropriate technology, tools, and material input to improve productivity, profits, and standard of living. Not surprisingly, the cumulative effects of protracted denial of women's access to productive resources, education, and training are worsening gender disparity and inequity.

2.4.7 At Glance: Significance of Women Issues in East Africa

- 2/3 of women are illiterate, that is only 30% can read and write
- Less than 10% of women have high paying jobs as managers, CEOs, directors, ministers e.t.c.
- Women compose a high number of people in part time jobs due to household chores.

• Women form a high percentage of poor people due to unemployment, low pay and non-participation in the informal sector.

• Women own less than 10% of the region's property.

The above points are noted from a personal document file (pdf) from (http://kenya2007.chauglie.com/iawik%20doc.pdf)

African women, equality and economic empowerment

According to Food and Agriculture organization of the United Nations (FAO, 2011) African women play a significant part in agriculture (the United Nations Development Programme estimates that women farmers account for nearly 50% of the agricultural labour force in sub-Saharan Africa). Despite the role women play in agriculture, productivity on women-owned farms is significantly lower per hectare compared to men, according to a new report jointly published by the World Bank and the ONE Campaign entitled "Levelling the Field: Improving Opportunities for Women Farmers in Africa".

The report, looks into the differences between how much men and women farmers produce in six African countries – Ethiopia, Malawi, Niger, Nigeria, Tanzania and Uganda – which together make up more than 40% of Sub-Saharan Africa's population (FAO, 2011).

# RECOMMENDATION

Democracy anywhere in the world is the prerogative of the people (Makama, 2013). This is because sovereignty they say, belongs to the people (women inclusive). It is therefore important that the act of governance should be diversified to capture the interest of women through adequate representation. First of all, the United Nations General Assembly should reaffirm its convention on the Elimination of All Forms of Discrimination Against Women (CEDAW) thereby making it compulsory for all nations of the world to adopt as cardinal objectives of its constitutions. Violation of this convention in any form should be meted with strider sanctions. Again, relevant clauses of the Beijing Conference should be reactivated giving specific rights to women. This way, the personality and character of women will be respected. Second, Societal obstacles of religion, tradition and other obnoxious beliefs must be broken, women should not be domesticated, they have to enjoy right to work and associated benefits as men. They along with men have to have access to free and functional education and health care, electoral process and contest must not be a preserve of the rich. All these are parts of what can create level playing ground for both men and women.

However, the reality is that those stated preconditions could only ultimately be secured when patriarchy is challenged. Some scholars have suggested that patriarchy is located in six relatively autonomous structures, which are adopted in this paper as programmatic sites that patriarchy can be attacked (Walby,1990 and Igbuzor,2012 as cited in Makama, 2013). These sites include domestic production, paid employment, culture, sexuality, male violence and state. It is important to point out that the level of work at the six sites below has to be at the local, national and international levels (Makama, 2013):

# **Domestic production**

- Challenging patriarchal division of labour in the home
- Advocating for equitable distribution of housework
- Promoting male responsibility for fatherhood and
- Inclusion of domestic work in the computation of GDP.

Paid employment

Challenging stereotypes in paid employment

Fighting discrimination against women in paid employment

Promoting the entry of women into male "dominated or reserved" professions

# **Culture and Religion**

• Combating cultural practices that oppress women e.g. widowhood practices, wife inheritance, female genital mutilation etc

- Challenging cultural taboos that subordinate women
- Challenging practices that promote son preference
- Challenging cultural practices that predispose women to malnutrition and restrict access to food.
- Challenging stereotypes in upbringing of the boy and girl child
- Promoting education of the girl child
- Challenging gender stereotypes in the media
- Promoting radical and women sensitive interpretation of religion

#### Sexuality

- Empowering girls and women to have control over their sexuality
- Challenging practices that predispose women to infections such as STIs and HIV/AIDS
- Promoting women sexual and reproductive rights
- Combating violence against women

• Interrogating masculinity and feminity and promoting new conceptualizations of a transformed man and woman.

#### State

- Challenging the patriarchal arrangement of the State and the violence in the State.
- Challenging neo-liberalism and fundamentalism
- Challenging State practices that fuel violent conflicts
- Promoting women participation in governance
- Promoting women friendly constitutions and legal frameworks
- Promoting redistribution of national budgets in favour of women
- Supporting affirmative action for women and other marginalized groups

# CONCLUSION

The rapid turn of events in the socio-economic and political spheres regionally calls for a total paradigm shift in the manner in which we treat the gender issues in the society. For Africa and Africans to grow in all spaces, there is an urgent need to involve women in most of these events driving the growth of the world so that Sustainable Development Goals (SDGs) are realized fully and in time. The untapped entrepreneurial skills of women need not be disregarded, however this can never be made possible without tackling the gender issues and biasness that continue to rot our societies (part of the reason for under development for most of African countries). Therefore, there urgent need to address the policy issues that will ensure parity between men and women. Although some efforts have been demonstrated by some governments and various stakeholders, there is still a glaring gap that need to be filled for a rapid socio-economic and political development.

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# Service Quality and Customer Satisfaction

# At Kenyan Airports

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# LIST OF ABBREVIATIONS

ACI	Airports Council International			
EIA	Eldoret International Airport			
IATA	International Air Transport Association			
JKIA	Jomo Kenyatta International Airport			
KAA	Kenya Airports Authority			
KIA	Kisumu International Airport			
KNBS	Kenya National Bureau of Statistics			
MIA	Mombasa International Airport			
SPSS	Statistical Package for the Social Sciences			
WTO	World Tourism Organisation			
USA	United States of America			

#### Abstract

The overall goal of this paper is to contribute to the research on customer satisfaction at airports. Existing studies have focussed on airport service experience in America, Europe and Asia. Specifically it contributes to the development of the knowledge of service quality expectations at a major airport hub in Africa. The exploratory study integrated elements of the 22 item SERVQUAL scale developed by Parasuraman et al., (1988). A quantitative research was conducted and responses from 280 departing international travellers at the Jomo Kenyatta International Airport was used to test five hypotheses. An independent samples t-test was utilised to assess whether the means of two groups are statistically significant from one another. The variables to be tested were service performance against the respective service expectation. The findings indicate atmosphere related

aspects of the airport experience showed a significant influence on the respondents' customer satisfaction. The feeling of being safe in the airport, ease of way finding, facilities for people with reduced mobility and the availability of leisure rooms were the most significant elements in the traveller's positive experience while at the airport.

The study was not without limitations. In utilising the gap analysis model, this study focused on understanding what the customers want. Other elements of the gap analysis model require further illumination. The findings of this study will help contribute to the development of a conceptual model for a much more exhaustive study on airport passenger satisfaction at other Kenyan airports and internationally.

#### Introduction:

Air travel has been characterised by rapid change with improvements in travel comfort and technology which have served to raise travellers' expectations as regards the airport experience (Vanja, Yang, Bilgihan and Bujisic, 2013). In order to evaluate their performance, airline and airport management companies have measured passengers' perceptions of service provided. This is done without clearly understanding passengers' expectations. Such initiatives, when misunderstood, have the risk of substantial financial and market losses to providers (Chen and Chang, 2005).

The air travel experience is composed of two major components: airport ground service and in-flight service. Prior studies on airport services have identified factors relating to passenger satisfaction such as flight timeliness, information convenience, efficient security and check-in procedures, signage and orientation, and terminal amenities (Chen and Chang, 2005; De Barros Somasundaraswaran, and Wirasinghe, 2007; Fodness and Murray, 2007). However, the influence of these factors on overall passenger satisfaction is still not sufficiently focused on by researchers.

Two key areas of airport customer satisfaction have gained significance in academic literature. First is airport benchmarking and these practices are key for improving performance. Airports are required to identify the organizational practices that might be related to the superior performance (Adler and Liebert, 2013), airportrelated literature mostly adopt an efficiency-based perspective for benchmarking. Airport service quality is the second more frequent topic. In this area some approaches and methods usually applied within other industries such as hospitality and tourism are adapted to air transport. There is an increasing interest in a broader understanding of the multi-dimensional nature of airport service quality, particularly from a passenger perspective (Bezerra and Gomes, 2015; Fodness and Murray, 2007).

Some international agencies have been systematically undertaking surveys, among them Airports Council International (ACI) and the International Air Travel Association (IATA). These are usually published in international journals and are mainly used as benchmarking reports that compare airports on the basis of region, passenger numbers and other matrices into international league tables. Such reports are sometimes supported or interchanged with ad hoc initiatives conducted by other survey organizations and airports (Zidarova and Zografos, 2011).This study attempts to derive a deeper understanding of the level of satisfaction experienced by the departing passenger using the major air transport hub in Africa. The research question is 'what does the customer satisfaction in airports depend on?'

#### Trends in the industry

Since the late 1970s, with the deregulation of air transport, the United States of America (USA) was the first to experience competition among airlines. There were similar changes followed by other countries, with the emphasis being on fostering competition among airlines. More recently, the organization and delivering of infrastructure services such as airports themselves have been driven by competition (Gillen, 2011). In this scenario, airports now compete in two contexts. First as long haul connecting hubs, and second as multi-airport systems bidding for airlines to provide service and to base aircrafts at the airport (Assaf et al., 2014). Airports have been facing increased pressure for higher quality and efficiency because of competition between themselves and demands from increasingly sophisticated customers.

During the intervening decades international air travel has changed due to a variety of factors. The increasing demand for the service, deregulation in the industry, security challenges and the change in airport ownership and governance forms have all contributed. New airline business models have influenced the change in airport ownership and governance forms (Graham, 2011). Different types of privatization have been implemented worldwide (Gillen and Mantin, 2014; Oum, Yan and Yu, 2008). That has meant that the airports have become modern organizations delivering efficient and high quality services to different customers.

From about 1990 to 2014, the number of passengers using air travel improved by 214 percent (World Bank, 2015). The demand for air travel is expected to growth at a 4.1 percent average annual rate, reaching 7.3 billion passengers per year by 2034. This is more than twice the 3.3 billion passengers in 2014 (IATA, 2015). Airports are infrastructure-intensive, and they require a high amount of investments if they are to make stepwise changes in their size and capacity. As such, a non-effective response to the increasing traffic demand may lead to significant events of congestion or even to capacity crunches. On the other hand, improving capacity in anticipation of passenger traffic may be inefficient. All the while, airport operators are expected to efficiently accomplish investment programs, optimize the available resources and review operating processes with a view to remaining competitive (Adler and Liebert, 2014).

Industry researchers regularly measure passenger perceptions of airport services quality to benchmark performance metrics directly from the voice of the customer (Chen, 2002), to identify opportunities for service improvement (Yeh and Kuo, 2002) and to avoid losing valuable passenger traffic (Rhoades, Waguespack and Young, 2000). Research on the air traveller has predominantly focussed on the air travellers experience as related to airline service provision (Fodness and Murray, 2007). Some key examples of these professional studies are the ACI airport service quality survey and the IATA SKYTRAX world airport and airline ratings.

Much of the professional research conducted in regards to airports has been focussed on efficiency, productivity and benchmarking of the speed of processing (Gillen, 2011, Graham, 2011). All these are then related to international league tables of performance (Losekoot, 2015). These studies largely ignore the other users of an airport including air operators, government agencies, ground handling agents, airport based staff or local business employees who use the airport's retail restaurants, meeting and other facilities. The air traveller's experience

remains the focal point for both airlines and airports in determining the level of customer satisfaction in their service provision. For both airlines and airports, the outcomes service level and satisfaction performance are generally the same; that is increased business and profit opportunities.

Following the September 11, 2001, attacks in New York there was a decline in the global air traffic. However, Africa is expected to witness continued traffic growth for the foreseeable future (ICAO, 2002). There are a number of reasons for this. First, Africa is the second largest continent in the world with a large population base that is separated by geographically challenging terrain. Because of the poor state of land transport and the enormous cost of addressing these deficiencies (Abrahams, 2002. p. 3), aviation is seen as a particularly ideal means of connecting Africa with itself and the rest of the world (Irandu and Rhoades, 2006).

Second, relatively few Africans currently have access to air travel. The barriers to utilisation include poverty, lack of aviation infrastructure, maintenance and financial support, safety and security concerns, and competition from non-African airlines (Abrahams, 2002; Graham, 1995; World Bank Group, 2002). The expected opportunities for growth in the demand for air transport in Africa is another key reason why a major airport hub in Africa is of interest.

#### Air Transport in Kenya

The general traffic forecasts for air travel in Africa suggest that three major hubs in Sub-Saharan Africa would be ideal for serving both international and regional needs. These hubs would be located in Southern, Eastern, and Western Africa. Johannesburg in South Africa is the candidate for Southern Africa. The situation in Western and Eastern Africa is less clear (Abrahams, 2002). This study aims to make the issue clearer.

Kenya has been a bright spot for air transport in Africa. Her tourism arrivals in 1995 were 918,000, in 2007 they were 1,686,000, and in 2014 they were 1,148,000 (World Tourism Organisation, 2016). Kenya's development agenda as outlined in Vision 2030 aims at putting the economy on a high growth path, to ensure that double digit economic growth is achieved, by the end of the plan period (Kenya Vision 2030). The major north-south and east-west air routes pass over the country and Kenya possesses international airports used for technical and refuelling stops. This geographical advantage could help facilitate the development of one of Kenya's airports as a regional hub and major player in transport development in the continent.

According to the Kenya Airports Authority (KAA) the four international airports in Kenya are Jomo Kenyatta International Airport (JKIA), Mombasa International Airport (MIA), Kisumu International Airport (KIA) and Eldoret International Airport (EIA) (KAA, 2017). Kenya's two main international airports are MIA and JKIA. MIA handled a total of 1,367,000 passengers and 4,545 metric tonnes of cargo in 2014. The largest airport, JKIA was used by 6,387,000 passengers and handled 258,627 tonnes of cargo in 2014 (Kenya National Bureau of Statistics, - KNBS, 2015).

Air transport has gained popularity among the Kenyan citizens and is no longer considered as a reserve for rich foreigners and senior government officials (Irandu and Rhoades, 2006 pp. 54). The forecast for the growth of aviation in Kenya's Vision 2030, and the desire for the country to be the Eastern aviation hub in Africa is critical. In addition, Kenya's efforts to have direct flights to the United States of America looks promising. The national carrier

expects to commence these flights in June 2018 (Business Daily May 8, 2017). The table below provides a summary of the arrivals in Kenya based on the mode of arrival.

Kenya Arrivals by Mode of Transport ('000)							
Year	2011	2012	2013	2014	2015		
Air	1,301	1,292	1,133	888	771		
Water	35	6	6	23	7		
Road	487	413	381	439	403		
Total	1,823	1,711	1,520	1,350	1,181		

# Table 1: Kenya Arrivals by Mode of Transport

# Source: World Tourism Organisation (2016)

The table above shows the total number of arrivals into Kenya from 2011 to 2015. Air travel is predominantly the largest mode of travel for people wishing to visit the country. Thompson and Clements (2003), opine that airport gateways have significant economic, political and social impacts in the environment in which they are located. The airport is therefore a crucial economic, social and cultural gateway to a country. An investigation into passenger satisfaction at airports is warranted because JKIA is the largest port for air travellers to enter, transfer through and exit Kenya. In addition the country's national carrier Kenya Airways uses JKIA as a hub for their global operations. This study will focus on the air traveller's experience at JKIA which is the major airport hub in East Africa.

# **Theoretical Foundations of the Study**

#### **Customer Satisfaction**

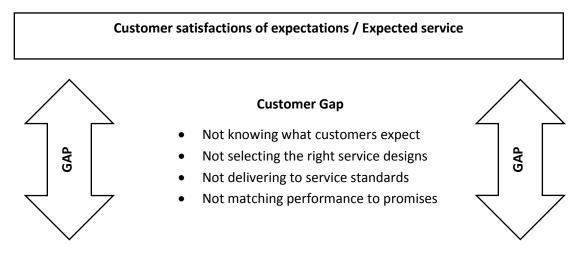
Customer satisfaction is a psychological concept that involves the feeling of well-being and pleasure that results from obtaining what one hopes for and expects from an appealing product and/or service (World Tourism Organization, 1985). Satisfaction is a summary psychological state experienced by the consumer when confirmed or disconfirmed expectations exist with respect to a specific service, transaction or experience. Customer satisfaction is customers' judgment that the consumption of a product or service is providing a pleasurable level of fulfilment of the customers' needs, desires and goals (Oliver, 1999).

Extant airport customer service studies have discovered a variety of items that have a bearing on the traveller's level of satisfaction with the airport's service offerings. These elements are ambient conditions, cleanliness, availability of food and beverage offerings, interior and exterior design or décor, spatial layout, functionality, physical facilities and employee involvement (Rowley and Slack, 1999; Jeon and Kim 2012; Fodness and Murray 2007; Rhoades, 2000; De Barros, 2007; Tsai et al., 2011; Vanja et al. 2013, Chen and Chiang, 2012). These items are directly related to the typologies of Bitner (1992).

Parasuraman, Zeithaml and Berry, (1985); Parasuraman, Berry, and Zeithaml, (1988, 1991), developed the service quality gap model. The main focus of the service quality gap model is the customer gap. This gap needs to be

closed in order to satisfy customers, enabling firms to build long-term relationships with their customers. Zeithaml and Bitner, (2003) argue that the organisation's tasks are then built around what is needed to close the gap between customers' expected service quality and the customers' perceived service quality. Customers not only compare their perceptions of performance with these ideal points when evaluating service, but they also perceive services in terms of the quality of the service and how satisfied they are with their overall experiences. Tsai, Hsu and Chou (2011), comment that according to the service quality gap model, quality airports are those that can eliminate the gap between perceived and expected services.

# Figure 1: Service quality gap model



#### Customer satisfactions of perceptions / Perceived service

Source: Zeithaml and Bitner, (2003 p. 533)

Figure 1 above schematically represents the difference between customer expectations and perceptions.

#### Perceived service quality and customer satisfaction

The researcher evaluated two of the most commonly used service quality models namely, SERVQUAL, and SERVPERF models. Their application in service and hospitality environments were of interest to this study. Though distinct, the constructs of perceived service quality and customer satisfaction have been equated. The 22-item SERVQUAL instrument developed by Parasuraman, Zeithaml and Berry, (1988) has been widely applied as a measure for service quality. The expectancy-disconfirmation theory of customer satisfaction by Oliver (1980), forms

the basis of the SERVQUAL model. In the model, service quality is defined as the gap between expectation and perception and customer satisfaction is understood in terms of meeting or exceeding these expectations. The SERVQUAL model measures the quality of service in five quality dimensions. Reliability which is the service provider's ability to consistently perform the promised services dependably and accurately; tangibility refers to the appearance of physical facilities, equipment, communication materials, and personnel associated with the service encounter; responsiveness which is the willingness to help customers and provide prompt service; empathy which is the firm's readiness to provide each customer with personal service; and assurance which refers to the knowledge and courtesy of the employees and their ability to inspire trust and confidence to customers (Parasuraman, et. al., 1985, 1988, 1991).

The SERVQUAL model has been criticised for its focus on expectation as a comparison standard. Expectations are dynamic in nature and may be influenced by customer's experiences and consumption situations. In addition the applicability of the five dimensions to different service settings has been challenged (Teas, 1994). Cronin and Taylor, (1992) developed the SERVPERF scale as an alternative to the SERVQUAL model and it measures the performance of the service. It is argued that the scale provides a useful tool for measuring overall service quality. Oliver, (1993) argues that perceived service quality is evaluated by the actual performance of the service in terms of particular service attributes in the specific context. Whereas customer satisfaction is assessed by the customers' overall experience of the service. According to this view, service quality is only one aspect of customer satisfaction. Rust and Oliver, (1994) argue that customer satisfaction depends on a variety of factors, including perceived service quality, customers' mood, emotions, social interactions, and other experience-specific subjective factors.

Bitner, (1990); Bolton and Drew, (1991) have suggested that customer satisfaction is an antecedent of perceived service quality. They argue that satisfaction mediates a set of logical explanations regarding the expectations of service and customers' evaluations of service. For example, an acceptable explanation for a delayed **fl**ight might create satisfaction for passengers and not result in an evaluation of bad service quality for the airline. Oliver, 1997; Cronin and Taylor, 1992; Parasuraman et al., 1988 have a contrasting approach to the view that customer satisfaction is an antecedent of perceived service quality. They contend that the constructs are reciprocal. Accordingly service quality is a cognitive assessment of services in each occurrence, whereas satisfaction is the accumulated effect on the customers' evaluation of the services. Carrillat, Jaramillo and Mulki, (2007), suggest that both models are adequate and equally valid predictors of overall service quality.

Due to its wide usage and comparability, this study adopted the SERVQUAL methodology.

# **Customer Contact and Customer Satisfaction**

The service quality for an airport is often expressed in terms of perceived level of service delivered to the airport user (Francis, Humphreys and Fry, 2003). Customer perceptions of service are focused on evaluations of satisfaction that reflect the customers' perceptions of physical environment, interaction and outcome (Zeithaml and Bitner, 2003). Accordingly, passengers will judge airport services based on their perceptions of the technical outcome, the process by which the outcome was delivered and the quality of the physical surroundings where the service was delivered (Tsai, Hsu and Chou, 2011).

Lovelock (1994), proposes that contacts that connect with brands in terms of the nature of service actions can be divided into two forms, tangible actions and intangible actions. Tangible actions are those in which customers must physically become involved in the service system because they are an integral part of the process. Further, they argue that services interact with the mind-set of the customers through intangible actions. Pine and Gilmore (1998), proposed four levels of offerings in all brands in which the different stages create a different experience for the customers. These include service, image, facility and atmosphere orientation

A service-oriented contact has been described as a service encounter that serves as a sign of quality and value to customers (Hartline and Jones, 1996). Frost and Kumar (2000), see encounter performance as the job of managers and support staff to support and help front-line staff in their mission to please the end user, the customer. Fortini-Campbell (2003), views customer and employee interaction as very critical to the success of the service experience. It can serve as a contact realm to establish the brand of a service.

An image-oriented contact refers to the images, including cognitive and affective images, that are the sum of the benefits, ideas, and impressions that people have of a store, place or destination (Baloglu and Brinberg, 1997). Since a customer's image is derived from the brand associations held in their memory that form the basis of a brand identity, the brand associations toward affective objects plays an important role in how a brand image is conceptualised (Keller, 1993).

A facility-oriented contact concerns tangibles that are directly or peripherally parts of a service (Berry and Clark, 1986). This view suggests that a facility-oriented contact represents service in a tangible way by focusing on the physical aspects of a service from which the customers will receive performance benefits. Mittal and Baker (2002) suggest that it would benefit service providers to identify some physical entities that would most effectively represent the desired value to customers, and to use those entities to give substance and meaning to their customers.

An atmosphere-oriented contact represents service in a tangible way by focusing on the atmospheric aspects of a service from which the customers will receive emotion benefits. Bitner (1992) viewed surroundings of the specific environment as helping customers form their attitude and behaviour. It creates an emotional response, which in turn elicits approach or avoidance behaviour.

It can be inferred that the four key contact elements are the beginning points or inputs to the customer satisfaction related to the service or product. For this study five hypotheses have been developed.

Hypothesis 1: Service related contacts influence customer satisfaction in airports positively Hypothesis 2: Image related contacts influence customer satisfaction in airports positively Hypothesis 3: Facility related contacts influence customer satisfaction in airports positively Hypothesis 4: Atmosphere related contacts influence customer satisfaction in airports positively Hypothesis 5: African hospitality influences customer satisfaction in airports positively Review of Empirical Studies

Rowley and Slack (1999) conducted an empirical study on the hospitality and retail amenities within airport departure lounges. Their exploratory study found that spacious, light and clean lounges with branded retail stores positively influenced the passenger experience. Their study considered the retail and hospitality amenities. The full complement of airport services is not covered in their study. Rhoades et al., (2000) considered the development of

airport quality factors from the perspective of different stakeholders. Their study identified passenger service related issues namely efficiency of boarding, staff courtesy, availability of aerobridges, airport ground access and inter terminal transport. These findings are insightful; however, they obtained input from airport managers and did not obtain any feedback from actual air travellers in the airport.

De Barros (2007) evaluated the passenger perception of quality at airports by examining service attributes. They collected data from transit passengers through a questionnaire. Their study confirmed the significance of airport staff courtesy during security screening. In addition they found that the retail area was an evaluation criterion for passenger satisfaction. Their study was conducted in Sao Paulo airport and it is therefore difficult to generalise the results to different cultural contexts. Fodness and Murray (2007) examined airport service quality among domestic departing passengers in the USA who were frequent fliers. Their study confirmed the significance of passenger service quality that includes functional, interaction and diversion. Their study was very insightful, however one study is not sufficient to form a fully developed theory of airport service quality.

Tsai et al., (2011) developed a gap analysis model for improving airport service quality in Taiwan. Their study confirmed that waiting time, staff courtesy, flight information services, directional line arrangement and airport circulation planning were factors that influenced passenger satisfaction. Their study combined three analytical models; the analytical hierarchical process, the importance performance analysis technique and the multi-criteria optimisation and compromise method. Like previous studies the results are not generalizable broadly to other countries, cultures and regions. Vanja et al., (2013) exploratory study focussed on identifying which air travel factors are distractors and which factors are enhancers of passenger satisfaction. Their study was based on Herzberg's two factor motivation theory as relates to the attributes of airport service quality. Their study utilized content analysis of traveller comments posted on the airport website. A data mining approach using a web based search randomly selected consumer comments related to 33 popular travel destinations. Cleanliness and a pleasant airport environment were noted as satisfiers. Security check, airport signs and dining offers were found to be dissatisfiers. Their study did not focus on a particular type of airport by way of location, size and number of passengers per year. Their analysis was based on word count and did not have a direct insight into the context and content of the comments. In addition their data was retrieved from a single website; consequently the generalizability of the findings is limited.

Jeon and Kim (2012) evaluated servicescape attributes in relation to passengers' emotional states and behavioural intentions. Qualitative data on ambience, aesthetic factors, safety and social factors in an airport was collected. The findings indicate that airport functionality, aesthetics and safety elicit travellers positive emotions tightly connected to their behavioural intentions. Ambient conditions were found to contribute to passengers' negative emotions. Further, social servicescape was found to have an impact. The study was conducted in an airport in Korea and focussed only and the airport servicescape. Losekoot (2015) study of the customer experience of meeters and greeters at the landside area of an airport in New Zealand demonstrated that the physical environment, processing, people, placeness and personal travel philosophy were key contributors to the level of satisfaction with the airport experience.

# Methodology

The current study can be described as pioneering research conducted at an international airport in Kenya, and therefore the study was exploratory in nature. A survey of departing passengers was conducted using a structured questionnaire. The specific questionnaire was adopted from Fodness and Murray (2007) study of customer satisfaction among domestic travellers. Their study used a purchased list of frequent fliers from domestic airlines in North America. In addition the study integrated elements of the 22 item scale developed by Parasuraman et al., (1988). An18 item Likert scale with responses rated 1 for extremely poor and 5 was the rating for excellent. The study collected and measured the following data. Section A collected data on passenger socio-economic characteristics such as age, gender, income, and level of education. Other travel related data of interest included nature of travel, be it business, work or tourism related. Section B examined the service expectations of the traveller. Section C examined the actual passenger experience based on the items identified on section B. A pilot of the study was conducted among 10 air travellers and 10 airport staff deployed in facilitation functions as respondents. The responses were then incorporated and the necessary adjustments made to the final instrument.

#### **Data Collection and Sampling**

The study used non-probability sampling as this was the exploratory stage of a much larger research project; it was therefore a pilot survey. The data obtained from the respondents provide an information rich case study in which the author explores the research question to gain theoretical insights. In addition, due to the limited time and financial resources this approach was deemed the most practical. Due to the variety and large population of passengers at the airport, quota sampling is considered ideal. Barnett (1991) states that a quota sample is a type of stratified sampling that allows for the selection of cases within a stratum in a non-random fashion. The data collected from the respondents is combined to provide the full sample. The study used a quota sampling technique. This method is not without bias and is susceptible to interviewers choosing only respondents who are willing to answer questions. The study focused on the departing travellers' destination region namely; East Africa, West Africa, South Africa, North America, Asia, Europe, and the Middle East who board their aircraft at specific gates at the airport terminal.

#### **Statistical analysis**

The data was analysed using the Statistical Package for the Social Sciences (SPSS) version 17. The software was utilized as the primary data analysis tool. Two types of primary statistical analysis were conducted. The first one was descriptive analysis and the second one is factor analysis. Finally the hypotheses were tested using the two factor t-test. The t-test assesses whether the means of two groups are statistically different from each other. This analysis is appropriate whenever the researcher wishes to compare the means of two groups.

#### **Study Findings and Hypothesis Testing**

The current study is described as exploratory research conducted at an international airport hub in Africa. A total of 290 questionnaires were issued. The data was collected over three busiest days at the airport. A total of 280

questionnaires were returned giving a response rate of 96.5 percent which is very good for a study of this kind. Of those responses 204 were considered usable for the statistical analysis.

#### **Descriptive Statistics**

The study collected demographic information relating to the respondents' nationality, sex, age, occupation, marital status, number of flights taken, whether the traveller was accompanied, level of education and age at the time of one's first air travel. All these factors were considered important in evaluating the airport experience. Regarding the gender of the travellers 63.2% were male and 36.8% were females, indicating a preponderance of male travellers over females. 76.5% of travellers were aged between 16 and 44 years, with those above the age of 60 making up 7.5% of respondents. The occupational status reported indicates that 73.8% are in employment as full time employees or in self-employment.

44.8% of respondents reported themselves as single and 52.2% as married. These two groups accounted for 97% of the responses to the question. The number of flights per year reveals that 70.8% of respondents have had less than five flights this year and the rest have had more than five. The level of education responses indicate that those with education level higher than diploma are 75.4% of respondents. 24.6% of respondents had lower levels of education. 50% of the respondents reported travelling alone and 12.3% were travelling with their spouses. As regards the reason for travel it was observed that 32% of respondents were travelling for leisure and 24.6% were travelling to visit friends and relatives. Also 41.4% of the respondents reported that their travel was related to travel for business or conferences. Travel for study respondents were 12.3%. The age at the time one took their first flight responses indicate that a cumulative total of 83.6% of respondents took their first flight between birth and the age of 29. With 52.6% taking their first aircraft flight between the age of 16 and 29. This means that those respondents have had some kind of airport experience in their lives.

#### **Exploratory Factor Analysis**

To evaluate the pattern of the correlations of the variables exploratory factor analysis was conducted using SPSS version 17. The 18 elements related to the airport services were evaluated by the items in the questionnaire provided to the respondents.

#### Service Expectations

Service orientation variables related to the airport providing services as expected, the dependability of airport staff, and the delivery of services right the first time. The test showed a Cronbach's alpha of 0.828. Image orientation related to the airport's use of modern equipment, visually appealing facilities, and the appearance of employees the Cronbach's alpha was 0.835 in this regard. Facility orientation variables measured the cleanliness of the terminal building, the availability of air conditioning, Wi-Fi services, duty free shopping, and availability of car parks, and the availability of children's play areas. These variables showed a Cronbach's alpha of 0.863. Atmosphere related variables examined the feeling of being safe in the airport, ease of way finding, facilities for people with reduced mobility and the availability of leisure rooms. These variables report a Cronbach's alpha of 0.769. In summary the service expectations variables had a Cronbach's alpha of between 0.769 and 0.863 which is in the same range as the findings of Fodness and Murray (2007).

#### Service Performance

The respondents were asked to evaluate the performance of the airport in relation to the actual experience. Service orientation variables are the same as those related to service expectation. The test showed a Cronbach's alpha of 0.850. Image orientation variables produced a Cronbach's alpha was 0.788 in this regard. Facility orientation variables showed a Cronbach's alpha of 0.811. Atmosphere related variables report a Cronbach's alpha of 0.769. In summary the service performance variables had a Cronbach's alpha of between 0.769 and 0.850 which is in the same range as the findings of Fodness and Murray (2007). The internal reliability of the variables was thus acceptable to allow for a test of the five hypotheses.

#### **Hypothesis Testing**

The five hypotheses were tested using the independent samples t-test. This test is conducted to assess whether the means of two groups are statistically significant from one another. The variables to be tested are the service performance against the respective service orientation. A confidence interval of 95% was used. Hypothesis 1: Service related contacts influence customer satisfaction in airports positively The computed p-value of Levene's test is 0.518 which is greater than 0.05. Therefore the null hypothesis is accepted. Which indicates that customer satisfaction is not significantly related to service related contact at the airport.

Hypothesis 2: Image related contacts influence customer satisfaction in airports positively

The computed p-value of Levene's test is 0.991 which is greater than 0.05. Therefore the null hypothesis is accepted. This indicates that customer satisfaction is not significantly related to image related aspects of the airport.

Hypothesis 3: Facility related contacts influence customer satisfaction in airports positively The computed p-value of Levene's test is 0.813 which is greater than 0.05. Therefore the null hypothesis is accepted. Which indicates that customer satisfaction is not significantly related to the facilities offered at the airport.

Hypothesis 4: Atmosphere related contacts influence customer satisfaction in airports positively The computed p-value of Levene's test is 0.032 which is less than 0.05. Therefore the null hypothesis is not accepted. Which indicates that customer satisfaction is significantly related to atmosphere related aspects of the airport.

Hypothesis 5: The African hospitality influences customer satisfaction in airports positively

The computed p-value of Levene's test is 0.129 which is greater than 0.05. Therefore the null hypothesis is accepted. Which means that customer satisfaction is not significantly related to service related contact at the airport.

In summary the testing of the five hypotheses indicates that only atmosphere related aspects of the airport experience have a significant influence on the respondents' customer satisfaction. The elements of the airport atmosphere that were tested in the study include the feeling of being safe in the airport, ease of way finding, facilities for people with reduced mobility and the availability of leisure rooms. These findings provide room for further observations. Travellers who use the airport often might have become accustomed to the facility. In addition, the frequent travel advisories following terror attacks in Kenya have meant that the safety of travellers is a key concern. Further, the travellers might also be aware that redesigning an airport will take some time and are therefore more understanding of the infrastructure and nature of services they encounter while at the airport.

#### **Study Limitations**

The study was cross sectional. Due to time, access and cost constraints the researcher opted to collect data on the three busiest days of airport operations. Also it was noted that while the response rate was high, a significant number of questionnaires were not fully completed. The data collection took place at the busiest times of the airport's operations with a large number of passengers in the boarding gate areas. Due to time and anxiety related pressure, respondents quickly answered the questionnaire.

Another limitation was theoretical in nature. While the gap analysis model evaluates four elements namely ; not knowing what customers expect, not selecting the right service designs, not delivering to service standards, not matching performance to promises. This study primarily concerned itself with understanding what customers expect.

#### Conclusions

The survey tool was found to be suitable for the evaluation of service quality at airports. The study has found that the feeling of being safe in the airport, ease of way finding, the availability of facilities for people with reduced mobility and the availability of leisure rooms are important for travellers using the Jomo Kenyatta International Airport.

These findings differ from those of Fodness and Murray (2007, however in some elements such as way finding agreed with the findings of Tsai et al., (2011), Vanja et al. (2013). More specifically they closely resemble Jeon and Kim (2012) in the findings that indicate that airport functionality, aesthetics and safety elicit travellers' positive experiences. In general the study confirms the assertions by Bitner (1992) who viewed surroundings of the specific environment as influencers of how customers form their attitude and behaviour.

These findings have managerial, theoretical and policy implications. The managerial input is that the airport operator should provide leisure facilities, facilities for people with reduced mobility and way-finding signs effectively throughout the airport in order to ensure a better customer experience. This is what the travellers want. These requirements may lead to the redesigning of the airport and possibly further disruptions to the passenger experience as the works are executed. The theoretical implications of the study are that more research needs to be conducted to fully understand and identify variables to be examined while applying the SERVQUAL model to airport service quality studies. Finally the policy implications include focussing the government's agenda in supporting the airport to provide a more secure environment for travellers.

This study provides useful insights into the service attributes that air travellers want at Kenyan airports. It forms a foundation for the development of a conceptual model for a more exhaustive study on the subject in other airports in Kenya and beyond.

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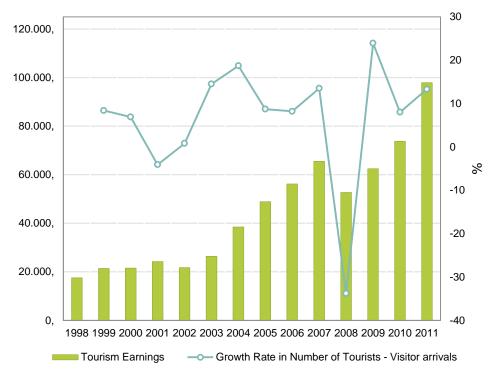
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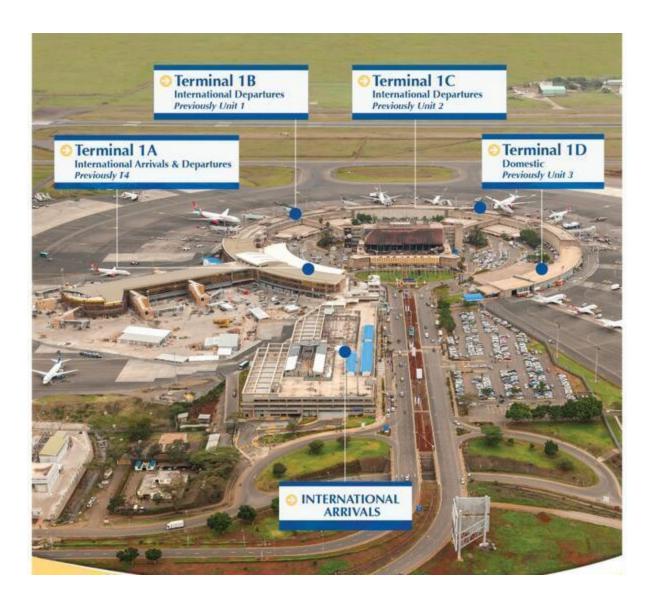
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#### APPENDIX





Source: Kenya National Bureau of Statistics, Statistical Abstract 2015 (2016) Images of Jomo Kenyatta International Airport Layout



### Examining the Effect of Corruption and Bureaucracy on SMEs

### Growth in the Kumasi Metropolis of Ghana

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#### Abstract

Small and Medium Enterprises (SMEs) are considered a seed-bed of entrepreneurship and innovation in most emerging economies; nevertheless, SMEs sometimes lack an enabling business climate, which hinders their potential growth. This paper examines the effect of corruption and bureaucracy on SMEs growth in the Kumasi Metropolis of Ghana. The study was a quantitative research, and convenience sampling method was employed to select 373 owners/managers as respondents for the study. Employing questionnaire as its main data collection instrument, the study used Gretl version 3.0 Statistical Software for the analysis of data collected. The results of the study revealed that 1% increase in corruption in the SMEs sector leads to 36.12% decline in SMEs growth (sales and employment), and 1% increase in bureaucracy leads to 28.76% decrease in the growth of SMEs. An interesting outcome of the study was that the excessive bureaucratic bottlenecks in the SMEs sector are implied by corruption. We, therefore, conclude that there is a significant negative relationship between corruption and bureaucracy and SMEs growth. It is, therefore, recommended that the government takes a giant-step to fight corruption in the SMEs sector by ensuring transparency and accountability of public officials and also streamline its systems and activities in the sector to reduce the excessive administrative barriers. The present study adds substantial value to the body of research on SMEs as it is the first research to have considered the joint effect of corruption and bureaucracy on SMEs growth in an emerging economy like Ghana.

#### **1.0 INTRODUCTION**

In Ghana, as in many developing and emerging economies, the significant role of small and medium enterprises (SMEs) to social and economic growth and development is highly underscored. In this respect, SMEs are considered as the necessary mechanisms for realizing such national developmental goals as poverty reduction, democratization and economic participation, job creation, harnessing industrial development and local production, knowledge development, innovation etc. (Urban and Naidoo, 2012; Olawale and Garwe, 2010). Accordingly, the United Nations Industrial Development Organization (UNIDO) hinted that SMEs constitute more than 90% of all businesses that are registered in Africa.

In Ghana, SMEs are estimated to constitute nearly about 85-95% of the private sector businesses, and contribute nearly about 22-70% to Ghana's GDP while accounting for about 85% of the private sector employment (Oppong, Owiredu and Churchill, 2014; Adjei, 2012). Similarly, Beck, Demirguc-Kunt, and Leine (2005) indicated that healthy competition and entrepreneurship development in emerging economies are developed and enhanced through SMEs. Biggs (2003) also postulated that by adding vitality and flexibility to business activities, SMEs help to improve economic performance.

The ability of SMEs to survive and contribute materially to economic growth and development hinges largely on enabling business environment. According to Lumpkin and Dess, (1996), SMEs growth is largely affected by its business climate. Fjose, Green, and Grünfeld (2010), in their study, specify corruption and bureaucracy/red tape as the major constraining factors to SMEs growth. Corruption affects SMEs in terms of business registration and startup, fees and charges, access to business support services, tax payments, the award of contracts (Ofori, Ato-Mensah, 2015).

The Orgnaisation for Economic Co-operation and Development (OECD) (2012) intimated that SMEs, owing to their size, are incapacitated and severely inhibited by cumbersome bureaucratic procedures in the areas of business set-up, operating and growing a business. Similarly, International Finance Corporation (IFC; 2013) found that the top obstacles to SMEs operations are a poor investment climate, especially bureaucracy/red tape. United Nations Industrial Development Organization (UNIDO) (2012) also hinted that public officials usually asked SMEs to make unwarranted payments in order to circumvent "customs, licenses, taxation, court cases and public procurement."

In its latest report, the Transparency International, a worldwide anti-corruption watchdog, Ghana aggregates 70 out of the 176 economies surveyed, with a score of 43 in terms of corruption perception index. Interestingly, the same report saw Ghana scored 47 in 2015 and 48 in 2014. Corruption perception index measures the

perceived level of public sector corruption worldwide. The report ranks countries on a scale from 0 (highly corrupt) to 100 (very clean), and any score less than 50 means a serious corruption problem. Despite being known for its stability, Ghana has significantly declined, and is plunging into more serious corruptible state year by year. The Doing Business Index ranked Ghana 125 out of the 183 countries surveyed in terms of ease of doing business and starting a business (World Bank Doing Business, 2016). It was reported that it takes 16 procedures and 164 days to complete a business registration in Ghana. The question, therefore, is what impact are these bureaucratic bottlenecks and corrupt practices having on the operation of SMEs in Ghana?

#### **1.1 Problem Statement**

In Ghana, like elsewhere, SMEs face certain challenges that militate against their start-up, expansion, and growth. Organizational and individual investors in Ghana, every so often complain about the nature of the regulatory environment, due to the costly and timely procedures to obtain licenses and permits, cumbersome procedures in paying taxes, long procedures in clearing goods from the port, and the unwarranted demands from public officials. As a result, a high proportion of new ventures is closed down during their first years of establishment while others fail to get the permit or approval to commence operation, with only a diminutive number growing up to the large scale enterprises. This study, therefore, seeks to examine the effect of corruption and bureaucracy on SMEs growth in the Kumasi Metropolis of Ghana. Does corruption affect the operations of SMEs in the Kumasi Metropolis of Ghana? Are the aforementioned bureaucratic bottlenecks in acquiring licenses, permits, and registering property among others, affecting the potential growth of SMEs in the Kumasi metropolis of Ghana?

Despite the growing interest of researchers on the factors inhibiting SMEs growth, there is a limited study on the effect of corruption and bureaucracy on SMEs growth in developing countries like Ghana. The focus of previous researchers in Ghana appears to have been skewed on such problems as lack of access to credit, managerial incompetence, inadequate infrastructure, inadequate power supply, etc. (Bouazza, Ardjouman, and Abada, 2014; Hayford, 2012; Sarpong, 2012; Agbor and Quartey, 2010). It goes without saying that the study of Ofori, Ato-Mensah, and Jinsheng (2015), however, considered the impact of corruption on businesses in Ghana, but their study examined corruption impact on foreign direct investment. Study on the impact of bureaucracy on SMEs growth, on the other hand, is yet to appear in the scientific literature.

To this end, the present authors strongly argue that the present study is pioneering in that it is the first to examine the joint effect of corruption and bureaucracy on SMEs growth in emerging economies. Therefore, the

present study fills the identified gap and harnesses the theoretical and empirical studies on SMEs in emerging economies by presenting a holistic conceptual framework on the bureaucratic barriers and corrupt practices affecting the growth of SMEs in Ghana. The rest of the study is structured as below: the literature review, methodology, results and discussion, conclusions and recommendations, and references.

#### 2.0 LITERATURE REVIEW

#### 2.1 SMEs Definitions

Definitions of SMEs differ from country to country and from region to region due to the differing nature of SMEs across countries. This has made it difficult for scholars to come out with a single universally accepted definition for SMEs. Notwithstanding, the statistical definition usually adopted revolves around the number of employees and the total value of assets owned by these SMEs. As an example, some international organisations such as the European Union (EU) reckons enterprises with total number of employees not exceeding 50, and turnover not greater than ten million Euros as small firms; and enterprises with employment not greater than 250, and asset turnover not exceeding fifty million Euros are categorized as medium enterprise. Countries such as Singapore defines SMEs as firms with employment size not exceeding 200 persons, and asset turnover not exceeding \$15,000. France also defines SMEs as firms with employment size less than 250 employees.

In Ghana, some institutions such as Ghana Statistical Service (2003) categorized small enterprises as firms with employment size between 5-29, and an annual turnover not exceeding \$100,000; and medium enterprises with employment size between 30-99, and an annual turnover not exceeding US\$1million. In another view, the National Board for Small Scale Industries (NBSSI) categorizes small-scale enterprises as enterprises with the number of employees not more than 9 workers, and plant and machinery (excluding land, buildings, and vehicles) not exceeding 10 million Ghanaian Cedis. The institution, however, defines micro enterprises as firms with the number of employees less than 5. The present study adopted the definition provided by Ghana Statistical Service since the focus of this study is on small enterprises as well as medium enterprises.

#### 2.1.1 Corruption and SMEs

In recent years, corruption has become a hot topic in Ghana. As evidently disclosed by the Corruption Perception Index in the preceding three years (International Transparency report 2016, 2015, 2014), corruption now appears to be one of the biggest challenges affecting Ghana's economic growth and development endeavors.

By definition, corruption is defined "as the misuse of public office for private gain" (World Bank, 2000). Along the same line of thought, Wraag et al. (2009, p. 5) define corruption as "an inducement to show favour" and "the perversion of destruction of integrity in the discharge of public duties by bribery of favour." This implies that corruption involves any attempt by a person to use entrusted power to advance personal and selfish advantages.

Corrupt practices such as extortion, bribery, fraud, embezzlement, to mention but a few, are perceived at all echelons of governance, even in the private sector institutions. No wonder, then, that His Excellency President Akuffo Addo, vehemently stated in his state of the Nation Address, February 21, 2017, that corruption is one of the key menaces that his administration resolves to crack. In fact, during a launch of the book "Making Africa Work" by Greg Mills, Jeffrey Herbst, Olusegun Obasanjo, and Dickie Davis, on July, 29, 2017, the president re-echoed his words indicating that "corruption undermines the ability of the government to create jobs and that a major opportunity for job creation, is by dealing with corruption" (ultimatefmonline.com). In this respect, corruption affects both social and economic life in a country: socially, it creates social disorder, unrest, and poor provision of social services; and economically, it raises the cost of doing business to the public and private investors (Ofori, Ato-Mensah, and Jinsheng, 2015).

The question of whether corruption poses a huge threat to SME and entrepreneurship growth and development in developing countries has not received a conclusive answer in the literature. While some studies discovered a negative correlation between corruption and SMEs growth, others found a positive relationship. As a case in point, Aidt (2008) opined that corruption has a large negative influence on entrepreneurship growth and development. Gaviria (2002) also posited that corruption enormously diminutions sales growth, and again hampers the employment growth of SMEs (Aterido et al., 2007). Sharing the same view, Kanu (2015) postulated that a significant negative relationship exists between corruption and SMEs growth in terms of sales and employment.

Athanasouli et al. (2012) indicated that corruption is negatively correlated to SMEs growth. Ofori, et al. (2015), in their study on the impact of corruption on foreign direct investment in Ghana, revealed that corruption has a significant negative influence on foreign direct investment inflows in Ghana. Interestingly, Oppong, Owiredu, and Churchill (2014) remarked that a high rate of corruption in Ghana affects the record keeping of SMEs. They further argued that improper record keeping leads to none payment of fees and taxes to the government. As maintained by Daniel and Ahmad (2013), corruption serves as a monetary constraint to SMEs and upsurges the cost of doing business. These prior related studies reveal that corruption has the potential of undermining the potential growth of SMEs.

Surprisingly, some studies found a positive correlation between corruption and SMEs growth. The study of Aterido et al. (2007), for instance, disclosed that corruption particularly bribes, enhance the growth of SMEs with the number of employees below 10. That is, corruption is conducive for small businesses. Additionally, Houston (2007) disclosed that corruption has a significant positive impact on growth in economies that have a weedy regulatory enforcement and rule of law. Similarly, UNIDO (2012) hinted that corruption may be advantageous to SMEs when the bribe paid is for the purpose of winning a contract.

Kanu (2015) also opined that corruption may be beneficial to SMEs if the payment is made to circumvent bureaucratic barriers. The problem, however, is where do these monies end up? Also, what happens to the SMEs which cannot pay "tip" or "dash' to circumvent excessive bureaucratic barriers? These inconclusive results on the link between corruption and SMEs growth largely show the indispensable role of the present study to the body of knowledge. In the light of these inconclusive findings, the present authors formulate the following hypothesis: H1: There is a significant positive relationship between corruption and SMEs growth.

#### 2.1.2 Bureaucracy and SMEs Growth

Some studies have shown that bureaucracy in government administrative system in terms of business registration, issuing licenses and permits, procurement, tax payment etc. may pose a strong regulatory barrier to SMEs growth (Bouazza, Ardjouman, and Abada, 2015; Mashenene and Rumanyika, 2014). Bureaucracy, also known as red tape, involves the inflexible rules and procedure and overly complicated regulation in administrative systems. Wherever present, bureaucracy slows down systems and operations. In Ghana, bureaucracy is very rife in the public sector, and this has even led some scholars to argue that the high incidence of corruption in the public sector is as a result of "the excessive bureaucratic system" (Ofori, et al., 2015). Since these bureaucratic bottlenecks are not limited to only one sector of the economy, SMEs tend to get their share of the pie in their attempt to secure the services and support of the institutions mandated for the regulation of SMEs in the country.

Writing on the menace of bureaucracy, the Bankok Post (1997) in Fiestas and Sinha (2011) highlighted that "the paper work involved is mountainous and when correctly filled out and properly submitted with the requisite fees, getting the paper signed, stamped and approved adds a new dimension to the term `red-tape." This pictures how bureaucracy in administrative systems may pose potential threat to speedy growth of SMEs in an economy. Additionally, Bouazza, Ardjouman, and Abada (2014) intimated that arduous processes and requirements to start a business are a serious problem for SMEs in developing economies. For that reason, valuable time is spent by investors to obtain license, clear goods from the port, register property, and even move collateral.

According to World Bank (2016), these bottlenecks in the public administrative systems reduce the entry and growth rate of SMEs. Supportively, Fiestas and Sinha (2011) stated that delays in the enforcement of contracts weaken the opportunities and incentives to invest since enterprises may not be willing to involve themselves in long term and complicated commercial contracts. As Hayford (2012) maintained, bureaucracy affects the ability of the enterprises to secure the needed credit for their business start-up and expansion, which slows the rate of SMEs growth in an economy. Chang, Kaltani, and Loayza (2005) also intimidated that bureaucratic barriers may decrease the entrepreneurial drive and instincts of citizens in a given country. Based on these reviews, the under mentioned hypothesis is proposed:

H2: There is a significant positive relationship between bureaucracy and SMEs growth.

#### 2.1.3 SMEs Growth

The literature does not provide an exact definition for enterprise growth. This way, enterprise growth has been explained as the firm's ability to increase its sales, profit, employment, asset turnover, new product lines, diversifications etc. (Yeboah, 2015). This implies that the variables that are used to measure enterprise growth double to provide a definition for enterprise growth. Thus, the authors of this present study define enterprise growth as the potential of an enterprise to generate sufficient returns from its business investment or activities in a way that enable the firm to operate into the foreseeable future, from the introductory phase of the industry life cycle through to the decline phase.

Howard (2006) in Yeboah (2015) postulated that SMEs undergo seven stages of growth: product and service development, expansion, professionalism, consolidation of activities, diversification, integration, and decline and revitalization. The first stage, product and service development is the period when the business is small and is testing the waters to gain root. The second stage, expansion, is when the firm begins to increase its sales, revenues, market share, and employees. Professionalization, which is the stage three, is where the firm begins to formalize its operation and defines its organisation structure. Stage four involves the point where the firm consolidates activities and tries to solve problems faced by the firm. Diversification, the fifth stage, is where the firm begins to develop new markets and products which may or not complement its existing operations. Stage six is the integration stage where the firm focuses attention on building infrastructures to host its diversified operations and business units. Stage seven, which is the last stage, is the decline and revitalization stage where the firm attempts to rebuild and reorganize the whole organization for continued survival and growth (Howard, 2006).

According to (Tundi and Tundi, 2012; Yeboah, 2015; Delmar, Davidson, and Gartner, 2003), SMEs growth may be measured using growth indicators such as sales level, profit, asset turnover, employment, the number of branches, new product lines, market share, increase in physical output. Prior related studies have, however, identified some pros and cons of these growth indicators. For instance, Delmar, Davidson, and Gartner (2003) argue that market share, increase in physical output, and asset turnover are not used frequently by researchers to measure SMEs growth due to the variability across industries, and also the difficulty involved in ascertaining such results. They also argue that profit may be an appropriate growth indicator to measure the firm size and long-term prospective. In their view, sales and employment should be used to measure SMEs growth, and that a single growth indicator should not be used to measure firm growth.

Sharing the same view, Yamoah, Arthur, and Abdullai (2013) maintained that employment is a vital growth indicator since the key concern of most governments is curbing the menace of unemployment. Besides, it is easier to ascertain the number of employees in a particular firm. They further argue that sales are easier to measure compared with other performance indicators largely due to the fact that the SMEs owners or managers attach much importance to sales. In view of these expositions, the present study adopted sales and employment as growth indicators to measure SMEs growth in the Kumasi Metropolis of Ghana.

#### 2.2 Conceptual Framework

Based on the extensive review of the literature, the corrupt practices and bureaucratic barriers militating against SMEs growth were identified. These provide the theoretical bedrock for the present study. In this paper, the dependent variable is the SMEs growth, which is measured by sales and employment. It is hypothesized that this dependent variable is strongly affected by the independent variables (bureaucracy and corruption). These variables have been chosen on the foundation of theoretical and empirical significance. Therefore, the proposed conceptual framework displayed in figure 1 shows the effect of corruption and bureaucracy on SMEs growth in the Kumasi Metropolis of Ghana.

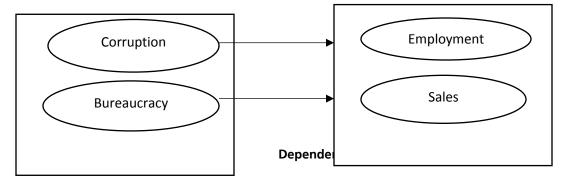


Figure 1: Nyarku and Ofori's conceptual framework

#### 2.3 Theoretical Framework

The present study adapted the theory of firm growth by Penrose (1959) and the political theory of entrepreneurship by Hoselitz (1952) as its underpinning theoretical foundation. The theory of firm growth is concerned with how firms grow over time and how fast they do grow. According to Penrose, there are important administrative constraints (internal and external) that may hamper the speedy growth of firms. Internally, she argued that the firm's ability to grow depends on its size as well as the innovative and managerial resources of the enterprise. Externally, she stressed that such factors as market conditions, culture, legal and regulatory limitations such as bureaucracy, corruption, complex tax systems etc. may affect the speedy growth of an enterprise. Penrose argued that failure or ignorance on the part of SMEs to identify these factors may lead to loss of significant competitive advantage.

The political theory of entrepreneurship, along with the same line of thought, postulates that, in order for SMEs and business organisations to make a meaningful and significant contribution to economic growth and development, governments must create an enabling business environment for them. According to Hoselitz, the political and legal systems in an economy are vital for nurturing SMEs and entrepreneurs. According to him, the government commitment to enhancing tax systems, financial laws, adequate infrastructure, flexible business registration and regulations, flexible customs and port regulations, corrupt-free systems etc. are the vital ingredients for promoting the entrepreneurial drive of its citizenry.

#### 2.0 METHODOLOGY

The present study adopted a cross-section survey research design. This was to succor the present authors to examine and test statistically, the substantial effect of corruption and bureaucracy on SMEs growth in Ghana. Data was collected from SMEs from various cross- sections of manufacturing, trade, commerce, and service industries within the Kumasi Metropolis. The study was quantitative in nature. Quantitative research approach, according to Engstrom and Saheli-Sangari (2007), evaluates how people feel, think, and act in a specific manner, and is a research approach that quantity data and explains statistical significance of a phenomenon. The population of the study consisted of 4542 registered SMEs in the Kumasi Metropolis of Ghana. Of this, a sample size of 378 was selected for the study. Since this study involved a regression analysis, specifically, linear regression analysis, the appropriateness of the chosen sample size is supported by Tabacknick and Fidell (1996), who advocated that a minimum sample size for any regression analysis study must be N > 50 + 8M, where "M" denotes the number of explanatory variables (independent variables).

In this study, there were two main explanatory variables; corruption and bureaucracy. Following their suggestion, our sample size must be more than 66, and 378 is greater than 66, hence our sample size meet their recommendation. A convenience sampling method was used to select the 378 respondents. This approach, because as noted by Malhotra (2007), convenience sampling enables researchers to select respondents who are available and willing to participate in the study. The respondents were owners or managers of the SMEs. A response rate of (98.68%) was recorded for study. Hence, of the 378 sample, 373 were used for analysis, indicating that 5 questionnaire items were not returned.

The main data collection instrument was a self-administered questionnaire. A questionnaire was used since it is less costly and time consuming, and the view that self-administered questionnaire enables respondents to answer the questions at their own pace (Monsen and Van-Horn, 2008). The questionnaire item was divided into 4 sections: Section A (Socio-demographic information), Section B (effect of corruption of SMEs growth), Section C (effect of bureaucracy on SMEs growth), and Section D (SMEs growth indicators). Section B and C were measured using a four-point ordinal interval scale, with choices: 1=Crucial Limitation, 2= Important Limitation, 3= Moderately Important Limitation and 4= Not Important Limitation. This way, the respondents were required to indicate the corruption and bureaucratic variables that they consider as having significant negative impact on their business

growth. The Section C was measured using a three-point likert scale, with options 1=increased, 2=remained the same, and 3=decreased. As indicated earlier, the growth indicators used in this study are sales and employment; hence, the owner/managers were to indicate their sales and employment growth over the past 5 years. The questionnaire was administered within a period of one month.

In order to ascertain the reliability and validity of the chosen scale, a pre-test was carried out prior to the main data collection. SMEs owners/managers in the Cape Coast metropolis of Ghana with similar features as those involved in the main population were used for the pilot-test. A sample of 30 SMEs was used for the pre-test. As indicated by Selltiz, Wrightsman, and Cook (1976), Cronbach's alpha enables researchers to measure the reliability of a measuring scale. In pre-testing the chosen scale, a Cronbach alpha of (0.798) was obtained. As a rule of thumb, a Cronbach coefficient greater than or equal to (0.7) is deemed good and appropriate. Thus, our measurement scale is reliable. The data collected was edited, coded and analysed using Gretl version 3.0 statistical software. Both descriptive and inferential statistics were used to analyse and interpret the effect of corruption and bureaucracy on SMEs growth.

#### 4.0 RESULTS

#### 4.1 Socio-Demographic Information

The socio-demographic variables considered in this study were gender, age, nature of the business, a sector of the business, and a number of years in business. The analysis displayed that majority of the respondents 206, constituting 55.23%, were males while 167, constituting 44.77%, were females. This, by innuendo, shows that majority of the owners/managers of SMEs in the Kumasi Metropolis are males. Thus, it can be argued that the SMEs sector is still dominated by male entrepreneurs. The analysis of the age structure of the respondents revealed that 26.0% were within the age group of 21-30; 33.78% were between 31-40; 22.25% were within 41-50; 14.20% belonged to the age group of 51-60, and 3.75% were 60 and above. This clearly purports that majority of the owners/managers were within the age group of 31-40, indicating the maturity, work efficiency, and potential success from early innovation. Concerning the nature of business, the analysis shows that 137, constituting 36.73%, were sole proprietorship; 93, constituting 24.93%, were joint-venture, 104 (27.61%) was a partnership; and 39, constituting 10.45%, were companies. This implies that majority of the respondents were sole proprietors, denoting that SMEs in Ghana are still dominated by sole proprietorship. Further to this, the analysis shows that majority of the SMEs 173 (46.38%) were in the service sector; followed by manufacturing 124 (33.24%), and then

Agriculture 76 (20.38%). Finally, the analysis disclosed the number of years the SMEs have been in business. It was observed that majority of the SMEs, constituting 127 (34.05%), have been in business for 6-10 years while 103 (27.61%), 81 (21.72%), 33 (8.85%), and 29 (7.77%), have been in business between 11-15years, 16-20 years, 1-5years, and above 20 years respectively.

#### 4.2 The Regression Analysis

The present study used Ordinary Least Square (OLS), specifically linear regression analysis to examine the relationship between the independent variables and the dependent variable. The main regression model was:

 $\beta_0$  = Co-efficient of the model

 $\beta_1 - \beta_2$  = Beta Coefficients of Determination

 $\epsilon$  = Stochastic Error Term.

Table 1 shows the summary of the output from the regression analysis.

#### Table 1: Model Summary

R-Square	R-Square Adjusted	Std. Error of Regression	
0.529122	0.526570	0.740985	
Test of normality	of residuals; Shapiro W	/ilk test; t-value = 0.4807 p-va	lue = 0.78698
Test of Heterosce	dasticity; White's test;	t-value 0.1649 P-value	0.8691

Source: Authors' Own Survey (2017)

As displayed in Table 1, it is evident that R-square, which measures the overall goodness of fit of any regression model, is 52.91%. This shows that 52.91% of the variability in the dependent variable (SMEs growth) is explained by the explanatory variables (corruption and bureaucracy) considered in this study. Thus, our model moderately explains the variability in the dependent, indicating that there are other factors that may influence SMEs growth, but which were not considered in this model. Regarding the normality of the residuals of the model, the null hypothesis is that error is normally distributed. The p-value of 0.78698 is large, and therefore, we can accept the normality of our model. Again, Table 1 shows that heteroscedasticity is not present in our model. The null hypothesis under the White's test is that heteroscedasticity is not present. Thus, the p-value of 0.8691 is large;

hence we accept that homoscedasticity is present in our model. The variance is not dependent on the explanatory variables/predictors or anything (constant variance). Table 2 shows the relationship between the independent variables and the dependent variable of the regression model.

Predictors	coefficient	std. error	t-ratio	p-value	95% confider	ice interval
Constant	0.609930	0.170784	3.571	0.0004***	0.24099	0.255761
Corruption	- 0.361196	0.0378962	-9.531	2.67e-55**	* -0.08667	-0.075667
Bureaucracy	-0.287642	0.0390500	0 -7.366	5 1.11e-48	*** -0.59085	54 -0.444431

Table 2: Regression Analysis Output

Source: Authors' Own Survey (2017)

As a general rule, the statistical significance of any regression model or coefficient is usually defined using the appropriateness of signs while t-value and p-value are employed in assessing the predictors/explanatory variables. But in order to establish the percentage (%) effect (instead of a unit, since we cannot measure corruption or bureaucracy in currency terms) of the independent variables on the dependent variable, we employed log transformation. Hence, the log transformation output of the regression model is displayed below:

 $Y = \beta_0 + \beta_1 \quad X_1 + \beta_2 \quad X_2 + \epsilon.$ 

#### $Y = 0.609930 + -0.361196 X_1 + -0.287642 X_2$

The stochastic error term was assumed to be zero. Therefore, it can be gleaned from the fitted model that if all the explanatory variables in the model were constant or equal to zero, SMEs growth in terms of employment and sales will be 0.609. That is the expected growth rate of SMEs in the absence of corruption and bureaucracy in administrative systems. Again, it is evident from Table 2 that there is a negative correlation between corruption and SMEs growth. It is seen that a 1% increase in corruption leads to 36.12% decrease in SMEs growth. Also, there is a negative relationship between bureaucracy and SMEs growth.

The regression model shows that 1% increase in bureaucratic bottlenecks leads to 28.76% decrease in SMEs growth. The p-value test (2.67e-55\*\*\*) indeed shows that there is a significant negative relationship between corruption and SMEs growth in terms of employment and sales. Further to this, the p-value test of (1.11e-48 \*\*\*) indicates a significant negative correlation between bureaucracy and SMEs growth. Thus, the independent variables were found to have a negative effect on the dependent variable. Table 3 shows the ANOVA analysis of the regression model.

	Sum of Squar	es df	Mean Square	F-Test	Sig.	
Regression	227.663	2	113.832	207.3213	4.48e-61***	
Residual	202.603	371	0.549059			
Total	430.266	373	1.15975			

#### **Table 3: ANOVA Analysis**

Source: Authors' Own Survey (2017) \*\*\*8Significant at 5% alpha level

Table 3 shows F-test value of (207.32) and P-value of (4.48e-61\*\*\*\*). This, by inference, implies that at 95% confidence interval, the probability that our regression model gives a wrong prediction is less than 4.48e-61\*\*\*\* (i.e. .0.0+61 0s). Therefore, we confidently conclude that our regression model is appropriate prediction model for explaining the effect of corruption and bureaucracy on SMEs growth in the Kumasi Metropolis of Ghana. Also, since F-test shows the joint-significant of the independent variables on the dependent variables, we can argue that there is a significant negative relationship between the independent variables (corruption and bureaucracy) and SMEs growth (sales and employment).

#### 4.3 Discussion of Results

The overarching objective of the present study was to examine the effect of corruption and bureaucracy on SMEs growth in the Kumasi Metropolis of Ghana. The first hypothesis (H1) of the study states that there is a significant positive relationship between corruption and SMEs growth. As the findings reveal, with a p-value of (2.67e-55\*\*\*), we can reject the null hypothesis, and accept the alternate hypothesis that there is instead, a negative correlation between corruption and SMEs growth. This result is in tandem with prior related studies (Aidt (2008; Gaviria, 2002; Athanasouli et al., 2012) that argue that corruption negatively affects SMEs growth. Also, the result complements the findings of (Kanu, 2015; Aterido et al., 2007; Ofori, Ato-Mensah, and Jinsheng, 2015; Oppong, Owiredu and Churchill, 2014), who disclosed in their study that there is a significant negative relationship between corruption and SMEs growth.

Nevertheless, the result of this study is inconsistent with the findings of (Houston (2007; UNIDO, 2007), who argue that corruption may be good for SMEs if it helps them to win contracts and to circumvent bureaucratic barriers. The findings disclose that, a 1% increase in corruption leads to a 36.12% reduction in SMEs growth. The result shows that corruption lowers the sales and employment growth of the SMEs. The respondents revealed that some government officials illicitly take money from them before they agree to test their products/services, issue

license, and permit, and register their properties on time for them. The implication is that corruption is not conducive for SMEs in the Kumasi Metropolis of Ghana.

Again, the second hypothesis (H2) that there is a positive correlation between bureaucracy and SMEs growth is not supported at a p-value of (1.11e-48 \*\*\*). Thus, there is a negative significant relationship between bureaucracy and SMEs growth. This result is in line with the findings of (Bouazza, Ardjouman, and Abada, 2014; Fiestas and Sinha, 2011; Hayford, 2012) that argue that bureaucratic bottlenecks in public administrative systems leads to delays in enforcing contracts, issuance of license and permit to SMEs, clearing of goods from ports, trade restrictions, and securing credit from public financial institutions. The result of the study is, again, consistent with the studies of (World Bank, 2016; Chang, Kaltani, and Loayza, 2005) that argue that bureaucratic barriers reduce the entry and growth rate of SMEs, and decreases the entrepreneurial drive and instincts of citizens in a given country.

The present study found that a 1% increase in bureaucratic bottlenecks in public administrative systems leads to 28.76% decline in the growth of SMEs in the Kumasi Metropolis of Ghana. An interesting finding from the present study was that bureaucratic bottlenecks in the government administrative systems are implied by corruption. The respondents revealed that in order for them to get things done on time, they have to pay "something" to grease the palms of the public officials. This appears to confirm the argument of (Ofori, Ato-Mensah, and Jinsheng, 2015) that the high incidence of corruption in Ghana is the reason for the "excessive bureaucratic systems."

Kanu (2015) argued that corruption may be good for SMEs to circumvent excessive bureaucratic barriers, but as the findings disclose a contradictory case for SMEs in the Kumasi metropolis of Ghana, as this has decreased their sales and employment growth. Thus, the bureaucratic barriers and corrupt practices are rather killing the entrepreneurial drive of the owners or managers since some of them are not willing to succumb to the illegitimate requests of the public officials while others do not even have the means to pay bribes in order to grow their businesses. The resulting effect is that bureaucracy is slowing the sales and employment growth of the SMEs.

#### 5. CONCLUSIONS AND RECOMMENDATIONS

Based on the results and discussions revealed above, the under mentioned conclusions and recommendations are proposed. The outcomes of the study are hoped to provide insight into the effect of corruption and bureaucracy on SMEs growth in Ghana. Within this study, it is disclosed from the regression analysis that there is a significant negative correlation between corruption and SMEs growth (sales and employment) and

that 1% increase in corruption leads to 36.12% decline in SMEs employment and sales growth. The findings, moreover, has shown that there is a significant negative relationship between bureaucracy and SMEs growth (sales and employment) and that 1% increase in bureaucratic bottlenecks leads to 28.76% decrease in SMEs growth.

The findings have shown that the cumbersome bureaucratic procedures in terms of license issue, custom and trade restriction, permits etc. are implied by corruption. It is, thereby, concluded that corruption and bureaucracy negatively affect SMEs growth in the Kumasi Metropolis of Ghana. Thus, to reduce the high unemployment rate in Ghana, the government should resolve to curb corruption and bureaucracy in the SMEs sector.

The current authors, therefore, recommend that the government put systems and mechanisms in place to harness anti-corruption initiatives and policies at all levels of governance, specifically those mandated for the promotion of entrepreneurship, SME growth and investment in the country. Thus, by ensuring transparency in government activities, holding public officials accountable for maladministration, setting up independent judiciary to handle corruption cases, and by limiting the unrestricted power of public officials to award contracts, the government can reduce the menace of corruption that has pervaded every sector of the economy, including the SMEs sector.

Also, the government should streamline its systems and activities in a way that facilitate the smooth operation of SMEs in terms of business registration, property register, goods clearance, tax payment etc. The government, for example, can reduce the bureaucratic barriers in part by making it possible for SMEs to perform some activities such as business registration, property registration etc. online. The government should also decentralize the regulations of SMEs so as to ensure that they are well-spaced throughout the country. This is hoped to reduce the long procedures and process that the SMEs go through and the time spent in their quests to secure government services from the central administration.

The present study contributes to the body of research by being the first to have considered the joint effect of corruption and bureaucracy on SMEs growth in emerging economies like Ghana. Thereby, the present study fills a research gap vis-à-vis the effect of corruption and bureaucracy on SMEs growth. That being said, the study is hoped to help developing countries that recognize SMEs as the seed-bed of innovation and economic growth to identify the potential impact of corruption and bureaucracy on SMEs growth and the measures to curb them.

The study had some limitations. The sample size did not include all the SMEs in the country. It was limited to only SMEs in the Kumasi metropolis of Ghana. Thus, future research should consider SMEs in the other regions

of Ghana. Again, the study only considered two predictors (corruption and bureaucracy) and two dependent variables (sales and employment). Future research, therefore, should consider the effect of other factors such as tax, trade regulation etc. on different SMEs growth indicators (productivity, price, profit). Lastly, the present study was quantitative. Future studies should employ a qualitative research approach to afford the owners/managers more opportunity to express their opinion on the phenomenon.

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## Entrepreneurship Development and New Business Challenges and Prospects for Ghanaian Entrepreneurs'

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#### Abstract

This paper presents a framework for formulating strategies for business start-ups within the context of small and medium-scale enterprises (SMEs) in diverse industries. Using Ghana as a case study, it addresses how to increase entrepreneurs' success rate in business ventures in developing countries. The objective of the study is to identify avenues through which entrepreneurs could address the challenges they face, and to take advantage of the emerging opportunities in the domestic and global business environments. The questions addressed are, what challenges face Ghanaian entrepreneurs' new business start-ups and existing SME's in developing countries? How could these challenges be addressed appropriately to make the private sector the engine of growth in Ghana's economy? The methodology is based on the qualitative approach, involving interviews to achieve the study's objectives. Four main themes emerged as challenges faced by the entrepreneurs business start-ups and operations which include the following: Funding availability & accessibility; Lack of planning, Skilled labour & proper management skills; Lack of competitiveness, technology innovation & customer loyalty; and finally, Legal & regulatory framework & social factors.

Recommendations for entrepreneurs, policy makers, and scholars are discussed in the study

**Key words:** Ghanaian entrepreneurs, entrepreneurship development, new business start-ups, prospects and challenges.

#### Introduction

The advent of globalisation and neo-liberalism in the 1980s, together with the implementation of liberalisation and deregulation policies have led to an accelerated growth in the private sector in most developing countries, and Ghana is no exception. Hence in the last three decades, the emergence of globalization and neoliberalism or the free market ideology, and the scale and scope of institutional support from governments, international donor organisations and private sector financial institutions for entrepreneurs and SMEs development have increased significantly. The increasing awareness of the problem of poverty and inequalities in the global system, coupled with the success of microfinance initiatives elsewhere such as the Grameen bank concept, has attracted attention worldwide and to a greater extent, encouraged entrepreneurial initiatives on a global scale to establish SMEs both in the formal and informal sectors. This in turn, has led to considerable increase in entrepreneurship activities both on a small, medium and large scale in various countries across the world, promoted by the free market system and facilitated by the capitalist ideology. The increasing drive for new business start-ups is to achieve high performance output and competitiveness for profit maximisation and help accelerate national economic growth. These entrepreneurship trends have encouraged governments in many countries to support entrepreneurs who take the necessary risk to set up SMEs for profit making and to contribute towards the development of the economy. A striking difference between entrepreneurship and management is that while entrepreneurs are risk-takers and usually more specialised in business start-ups, managers manage the business to grow and expand it. In managerial decision making, a manager's strategic orientation focuses on factors that are inputs in formulation of the firm's strategy, whereas entrepreneurial strategy is a set of decisions, actions, and reactions that generate and exploit an opportunity to set up a new business venture. Entrepreneurial orientation toward opportunity is one's commitment to take action on potential opportunities and the ability to access the attractiveness of a new opportunity. However, the two concepts and roles are complementary because some entrepreneurs have excellent managerial and leadership skills, as some managers could also turn out to be excellent entrepreneurs. Both entrepreneurs and managers must be proactive and learn from failures. Despite the risks involved in business start-ups, many reasons compel people to become entrepreneurs. People with entrepreneurial mind-set has the ability to rapidly sense, act, and mobilize resources to take advantage of opportunities, even under uncertain conditions. A potential entrepreneur's intention to act is based on his/her entrepreneurial intentions or motivational factors that influence individuals to pursue entrepreneurial outcomes, coupled with their entrepreneurial self-efficacy or one's conviction that he/she can successfully pursue entrepreneurial outcomes. Some key features of entrepreneurial activities that generally motivate people with entrepreneurial mind-set to become self-employed include freedom of owning one's business, profit orientation, working in a hassle-free environment, having financial independence or control over compensation, satisfaction gained from the self-esteem as a fulfillment of creating something you can claim ownership to, control over working conditions, and job security to improve their livelihoods and lifestyles. In Ghana, many entrepreneurs set up SMEs because it creates a sense of practical optimism, since people believe that going into business is an effective means of escaping poverty, becoming self-sufficient through financial stability and/or prosperity.

Entrepreneurship simply means firms' risk-taking activities in terms of business start-ups, facility investment, businesses expansion, foreign branch opening, and managerial innovation. Unlike the public sector and other

private sector enterprises such as philanthropic organisations, entrepreneurship is the capacity and willingness to take the risk to develop, organise and manage a business venture for the purpose of making profit, by doing things differently and/or better. Business start-ups is a significant indicator for measuring entrepreneurship and its characteristics.

Taking entrepreneurial action involves the creation of new products, services or processes and entry into new markets. It also involves risk-taking because the risks and uncertainties in business start-ups are numerous and varied. An entrepreneur's cognitive adaptability describes the extent to which he/she is dynamic, flexible, selfregulating and engages in the process of generating multiple decision frameworks, as well as how he/she is focused on sensing and processing changes in their environments and then act on them (Hisrich, Peters & Shepherd, 2013). There is a growing body of literature on the different perspectives on entrepreneurship. Many studies on entrepreneurship have examined entrepreneurs' individual characteristics such as personality, educational background and attainment, ethnicity, and other relevant characteristics and some studies focus on investigating the business factors of entrepreneurship by closely examining entrepreneurs' business financing, venture capital, industrial relationships and organisational mechanisms (Mack & Qain, 2016). Other researchers also interested in population, gender, industrial structure, geography (urban and rural), human/social capital, research & development (R&D), creativity and regional economic studies have dealt with local environments and regional variations that influence entrepreneurship and the relationship between business start-ups and location factors. (Acs &Armington, 2006). Whereas in many developed countries, areas with more specialised and educated workforce is a crucial location factor for entrepreneurship and venture business set ups (Ki, 2008), in developing countries like Ghana, business start-ups could be based on population distribution and the rural/urban dichotomy, which is mainly due to factors such as availability of sources of funding and market opportunities. Hence, urban areas are more likely to attract more business-start-ups than in the rural communities.

Other studies on entrepreneurship and entrepreneurial orientation tend to focus on business processes in terms of combining the factors of production (capital, machinery/equipment, labour), and on business start-ups, risk-taking, and the ability to effectively manage a business by seeking investment and market opportunities for profit-making or financial independence. Griffin, Ebert and Starke (2013) for example, define entrepreneurship as "the act of assuming the risk of business ownership with the primary goal of making profit through growth and expansion. This view implies assuming risk and responsibility in taking the initiative to design and implement a strategic business plan to take advantage of a business opportunities, allocate resources to create value for customers, and is often through the identification of unmet customers/public needs or opportunities for change in customer demands and wealth creation.

Zimmerer, Scarborough and Wilson (2008), also define an entrepreneur as "one who creates a new business in the face of risk and uncertainty for the purpose of achieving profit and growth by identifying significant opportunities and assembling the necessary resources to capitalise on them." Suleiman (2006) on the one hand, argues that entrepreneurship is "the willingness and ability of an individual to seek opportunities for investment to create and run a business successfully," while Drucker (2006) on the other hand, states that entrepreneurship is a distinct feature, whereby an entrepreneur is a person who understands business opportunities and its benefits, by

harnessing scarce resources and utilising them profitably. He/she makes progress in the productivity of resources by searching changes (or risks), responding to, and employing opportunities. This study adds that the concept of entrepreneurship also entails the dynamism, <u>capacity</u> and willingness to organise social and economic mechanisms to turn resources and situations into incremental wealth creation by operating and managing a business venture, and assuming all its attendant risks to create value, while seeking <u>profit</u> as the ultimate <u>reward</u>. Furthermore, it involves various aspects of an entrepreneur's social, economic and spatial activity patterns, and denotes companies' risk-taking tendency in terms of business start-ups, facility investment, and expansion of new and existing businesses and managerial innovation.

In the modern global economic system, entrepreneurs creatively exploit changes in the world to put their dexterity and ingenuity into practice for economic gains. Where others see problems, entrepreneurs recognise opportunities. Opportunity is situational, since there are no rules regarding where and when an opportunity might appear, so it is dependent on variable circumstances, in that a problem is one example of an opportunity that entrepreneurs need to be able to recognise. Another opportunity is a changing situation or trend. As Mariotti and Glackin (2010) noted, the five roots of opportunity in the marketplace that entrepreneurs can exploit are: problems that a business can solve; changes in laws, situations or trends; inventions of totally new products and services; competition in terms of ways to beat the competitor on price, location, quality, reputation, reliability, or speed through which one can create a very successful business with an existing product or service; and finally technological advances (scientists may invent technology, but entrepreneurs figure out how to use and sell it). SMEs involve both registered formal enterprises and informal unregistered enterprises, and are defined in varying terms because of the diverse nature of the sector.

Generally, the three criteria employed in the classification of SMEs in this study are the firm's asset base, its employee size and annual turnover. The National Board for Small Scale Industries (NBSSI) for example, applies both the 'fixed asset and employee size criteria, and regards an SME as one employing 29 or fewer employees (NBSSI Report, 2011).<sup>1</sup>

The objective of this study is therefore to discuss the challenges that hinder entrepreneurship and SMEs development and how governments in frontier and emerging economies could increase their financial and logistics support for new entrepreneurs and SMEs in order to help empower them in their business start-up strategies to develop and transform their business ideas into an opportunity. This could be achieved through state agencies' role in facilitating initiatives to help entrepreneurs gain the necessary competencies (knowledge, values, and managerial skills) essential for understanding business start-ups and SMEs management for productivity, sustainability and profitability leading to wealth creation and economic growth. To this end, the questions to be addressed in this study is, what challenges face Ghanaian entrepreneurs and SMEs and how could they be addressed appropriately? How could new entrepreneurs and existing SMEs be supported by governments to make the private sector the engine of growth in developing countries' economies? Following from the above questions, the study argues that

<sup>&</sup>lt;sup>1</sup> The United Nations Industrial Development Organisation's (UNIDO) standards for classifying large firms in developing countries are those with more than 100 employees, medium firms in the range of 20-99 employees, small firms as having 5 to 19 employees, and micro firms with less than 5 staff. The NBSSI's criterion is in line with the UNIDO criteria and Steel and Webster's (1990) definition of SMEs in Ghana as one with 30 or less employees.

regardless of the financial assistance for business start-ups and training new entrepreneurs receive from governments in some developing countries, the support is woefully inadequate to enable them compete with SMEs and large firms in developed countries. As a result, many entrepreneurs and SMEs face a myriad of challenges such as lack of financial support and the necessary training to manage their enterprises successfully. The recommendation section in the study discusses the uniqueness of the relationship between business start-ups and business management on how to start, grow/expand the business, and how governments in developing countries could support private sector capacity building for new entrepreneurs and existing SMEs, which is the engine of growth for every economy, and some key tips on how potential entrepreneurs could transform their business ideas into reality.

#### **Research Process**

First, in addressing ethical and confidential issues, the study sought the consent of the participants before the interviews, and assured all participants of anonymity and confidentiality, and vividly explained what the information gathered in the study would be used for. This orientation also helped the participants to become familiar and comfortable with the scope of information required; thus, they were confident to respond to the questions more appropriately.

Using Ghana as a case study, the study examines the prospects for new and existing entrepreneurs in Ghana in terms of the support initiatives from government and non-governmental institutions and the numerous challenges they face. It investigates some of the key challenges facing SMEs in terms of their awareness of the various funding sources and availability of funds, the level of management training, and other challenges facing entrepreneurs and SMEs. To achieve the objectives and goals of the study, 31 participants were interviewed. Qualitative approach was used which helped to understand and obtain critical information from the participants and also probe further when necessary. As Creswell (2007) noted, an interview protocol is a "predesigned form used to record information collected during an observation or interview," which enables the researcher to organise the entire interview process, including time allocations for the questions and how to begin/end the interview. The research comprises sole proprietorship businesses and firms with employees from 5 to 100. Data was analyzed following Braun & Clarke, (2006) Thematic content analysis by first -transcribing, generating codes, searching for themes, reviewing themes, defining themes and interpreting the findings..

#### Results

Four main themes emerged as the challenges faced by entrepreneurs and new business start-ups. Find the main themes and the subthemes in Table 1.

Table 1: Themes and subthemes (explan	ations) of challenges facing	g entrepreneur's business start-ups
and operations.		

Themes			Sub themes/ Explanations		% citing the
					theme
1.	Funding		Lack of finances, resources and other economic factors/	31/31	100%
	availability	&	High interest rate/ default payment of loans by some		
	accessibility		entrepreneurs making it default for the genuine ones/		

2	2.	Lack of planning	ng,	Doing business planning analysis before business start-ups	22/31	66%
		Skilled labour	&	is a key to a successful entrepreneurial venture/ Some		
		proper		business owners extract money without any control, have		
		management		no fixed salary for themselves/ some over spend way above		
		skills		their profit		
3	3.	Lack	of	SME's cannot produce large quantities of goods of	30/31	97%
		competitivenes	s,	consistent quality to precise delivery schedule and are		
		technology		uncompetitive in international export markets./ Expensive		
		innovation	&	in advertising products which leads to their inability to be		
		customer loyalty		competitive and capture a greater part of both local and		
				international market segment		
4	1.	Legal	&	Bureaucratic nature of licensing new Business, Corruption,	31/31	100%
		regulatory		Cultural attitudes and politicization of Government-		
		framework	&	sponsored loan schemes		
		social factors				
						1

Source: Field work, 2017

#### Samples of extracts from respondents on the four emerged major themes

#### 1. Funding availability and accessibility

"It is very difficult having access to adequate funding to expand my business. The situation is such that most commercial financial institutions operates on regidity and unfavourable loan systems like high interest rate discourages me from applying for loans and they are often reluctant to also lend money to new entrepreneurs . What I hate to say is that some even demands some percentage of the loans from us as a condition. " (Entrepreneur engaged in used cars- interviewee 2 (2017)). This reinforces results of a survey on enterprise financing by Aryeetey et al (1994) that only 14 percent credit advanced went to SMEs.

#### 2. Lack of planning and proper management skills

"I cant really tell if I am making any profit now or not. I can only know when my goods are finished in my shop. Hmmmm! I don't have any fixed salary for myself. I take from my daily sales as often as I need it and I am afraid for myself. I think I am spending more than what I send to the bank each day". (Artisan- interviewee 18 (2017))

#### 3. Lack of competitiveness, technology innovation and customer loyalty

"My products are good but what is coming from China appears to the public to be better and cheaper as compared to mine. This is a problem for me because all my old customers no longer patronize my products. Just last week I visited one of my customers in her shop, Her shop was full and I was happy for her but she felt bad and made a comment Like; Hmmmm these ones are cheaper and it moves faster for us. But I will come and buy some of yours too." (Dealer in Textiles- interviewee 8- (2017)).

The quality of materials I use for now is okay. I belief that, market demand may not pay for extra high quality when I invest into it. Even my customers keep on complaining of the prices especially when they compare shoes imported from outside Ghana. Our people prefer foreign goods to locally made goods. This is a problem for me. (Shoe manufacturer- interviewee 21- (2017)).

#### 4. Lack of Regulatory framework and social factors:

"There are lots of corruptions in the buying and selling business. The whole process in clearing the goods at the ports takes so much and we also have to pay so much fees".

#### Discussion on the Challenges Facing Entrepreneurs and SMEs in the Developing World

As noted elsewhere, the advent of globalization and the collapse of trade barriers through liberalization and deregulation have brought with it new opportunities for entrepreneurial development. In most developing counties like Ghana, there are many promising young entrepreneurs, but the challenges besetting entrepreneurs in frontier and emerging countries are varied and complex. Despite the fact that SMEs constitute one of the largest sectors in the national and global economies, and significantly contribute towards the socio-economic development of national economies, they face a number of major challenges in their business start-ups and operations. On the basis of the challenges facing entrepreneurs and SMEs in Ghana, the study identified availability of resources such as capital (funding availability and accessibility), human resources (management skills/skilled labour availability), raw materials, infrastructure and utilities, operational risk, market accessibility, and opportunity for growth and expansion greatly influence SMEs' operations and their overall success rate, which are discussed in detail below:

## i) Lack of finances, resources and other economic factors – weak economies, high taxes and energy costs etc.

Most entrepreneurs go into business without inadequate capital hoping to secure more once the business grows. The availability of financial resources allows entrepreneurs to bring together other factors and use them to produce goods and services to gain competitive advantage. Access to adequate funding is by far the most critical challenge facing entrepreneurs and SMEs' business start-ups and expansion. Since funding is the lifeline of any business, the predominant the response from participants was funding availability and accessibility. While capital remains indispensable to start a new business, most commercial financial institutions operate their loan schemes on high-collateral and/or on high-interest basis. While SMEs and the private sector are considered the backbone of the economies of most developing countries in terms of job creation and tax revenues, due to the high risk associated with new business start-ups, the commercial banks are often reluctant to lend money to new entrepreneurs. As a result of the rigidities and unfavourable loan system, especially due to the commercial banks' five 'C's qualification criteria namely; collateral, character, capacity, capital, and conditions, many entrepreneurs in Ghana are discouraged from applying for bank loans.

Besides availability and accessibility of funding, the government's prime rate to the commercial banks is excessively high, which has placed interest rates charged by Ghanaian banks in a very high range from 25% upwards depending on a bank's set rates for loans; and interest rates charged by the micro-credit agencies are even much higher. This finding reinforces the results of a survey on enterprise financing by Aryeetey et al (1994) that only 14%

of credit advanced by banks went to SMEs. To make matters worse, some owners of SMEs admitted that managers in the commercial banks demand bribes before approving their business loans (interview with entrepreneurs engaged in used car business, 2015). Most of the local entrepreneurs interviewed admitted that as a result of these bottlenecks, they resort to non-bank financial institutions, government agencies and other informal means as well as social networks for loans and financial assistance or rely mainly on family support and personal savings to start or expand their businesses because that requires no collateral and it is readily available to the borrower when needed (focus group interview with used clothing entrepreneurs, 2015; interview with members of the Printing Press Association, 2015).

As a result, many entrepreneurs and SMEs turn their attention to government and donor institutions' loans and grant programmes. Although the government's NBSSI and MASLOC initiatives have had some positive outcomes, assessing the impacts and benefits of government programmes under these organisations' services for SMEs generally are woefully inadequate since the process has been bedeviled with several bottlenecks. It is therefore necessary to examine the financial support and strength of the SMEs in terms of the availability of business start-up capital, and the procedures for administering the various loan schemes to potential beneficiaries need to be addressed more appropriately. Over all, five industries were represented in the study with microfinance businesses representing 15%, trading (in the informal economy) representing 50%, small scale manufacturing making 10%, artisans 15% and general services constituting 10%. Three size categories were defined on the basis of employee size. As stated above, classification of firms were as follows; micro businesses (less than 5 employees), small businesses (5 and 29 employees), medium sized firms (30 and 99 employees). Seventy five (50%) of the businesses surveyed were small sole proprietorship firms, 50 (30%) were microenterprises and 25 (20%) were medium-sized companies.

Another challenge that has made access to credit difficult is the culture of default on loans by many entrepreneurs, which affects the operations of genuine and responsible entrepreneurs and compels some financial institutions to charge high interests to cover their risk factors. Due to the lack of proper management skills, many business owners extract money from their businesses without control and have no fixed salary since business income is not kept separate from personal expenses, and often not paid back into the business, without considering its implications on the sustainability of the business. Sticking to budget is a challenge to some entrepreneurs, since a lot of them overspend way above their income and profits. Many entrepreneurs operating small businesses on sole proprietorship basis have no cost control mechanisms and working capital could be used to solve other personal or family problems.

To justify the rigidities in lending and the high interest rate charges, some staff in the banks and microfinance institutions noted that due to the business culture of mismanagement of funds among some owners of SMEs, many entrepreneurs in Ghana have a problem of loan default, which has contributed to the difficulty in accessing loans from the traditional banks and the high interest rates (Manager, Ecobank, 2015). Coupled with the lack of financing for capital investments and credit lines for working capital are the high taxes charged by the national and local governments such as income tax, the value added tax (VAT), high cost of energy, and the frequent power outages constitute some of the major challenges to the development and sustainability of SMEs. Lack of funds also has a ripple effect on the ability of the entrepreneurs and SMEs to afford the high cost of taxes, energy and other

utility bills as well as transportation costs, which often results in high production costs leading to the crippling of some businesses operations in the manufacturing and distribution sectors.

Other economic factors also influence entrepreneurship in many ways, especially the nature of the economy is a major factor that influence entrepreneurship since a strong economy is likely to provide better opportunities for new and existing entrepreneurs than a weak and sluggish economy. In a strong economy, the general purchasing power of people, which is manifested by income levels and economic prosperity plays a major role in the success of entrepreneurial ventures. Conversely, during times of economic slowdown or recession, the purchasing power declines and people are reluctant to invest, thus adversely affecting entrepreneurship development. Availability of resources is another major factor affecting entrepreneurial development in many developing countries. Since access to capital is crucial for the growth of every business, without a well-developed venture capital or equity market to support entrepreneurs in Ghana, devoid of it will be difficult for domestic entrepreneurs in Ghana to source capital for business start-ups.

ii) Lack of planning, Management/Technical Training, Organizational abilities, Gaining other Entrepreneurship and Risk Management Skill Sets

Apart from financial constraints, doing business planning analysis before setting up the business is key to successful entrepreneurial venture since the true value of business planning is to identify potential strengths and weaknesses, as well as opportunities and threats that could impede the success of the business, and plan around them before they happen, rather than getting blindsided by them when the business has already been set in motion. Viewing the business in a holistic manner will help the entrepreneur in aligning his/her vision for the product or service that delights the identified target market. The Business and Financial Times (2011) reported that "SMEs which form the backbone of Ghana's economy face many constraints and only a few of them are competitive in today's globalized business environment." Managerial and technical skills are some of the key factors that affect the growth of SMEs and entrepreneurs in both Ghana's formal and informal economies. Business mismanagement constitutes one of the main characteristics and failures of SMEs in Ghana and a typical constraint to their growth, which is often attributed to cultural factors. Since the entrepreneurial characteristics required to launch a business successfully are often not the same as those required for business growth and even more frequently not those required to manage it once it grows bigger, the role of entrepreneurs needs to change with the business as it develops and grows, but all too often many entrepreneurs are not able to make the transition successfully.

New entrepreneurs and existing businesses have the potential to fail if their owners do not have the prerequisite management skills to establish well-defined goals and objectives as well as undertake feasibility studies by focusing on finance, production and marketing of the new product/service, and periodically measure the progress of his/her plans to determine whether objectives are being met, and goalstargets are on schedule. The importance of human capital can also not be underestimated, and no business will be successful without a skilled and committed workforce. Transferring your passion and vision to align with your overall business' goals is a major task that one needs to achieve successfully.

As a new entrepreneur, it is necessary to ensure that your staff recognizes the vision you wish to create, believe in your possibilities and be passionate about making that possibility a reality to help you transform the firm into a competitive and profitable one. Effective management is a critical challenge for new businesses. Since new

entrepreneurs are self-managed, they are required to be their own bosses, have self-discipline, set their own schedules, make all the right decisions and work long hours to keep the business going, while maintaining a professional attitude at all times. While the study identified the necessity of some level of basic or higher education as a prerequisite for successful business management, most programmes on technical skills and entrepreneurship development in Ghanaian institutions focus more on the theoretical aspect and certification rather than the practical side of learning such as shaping attitudes and skills. It also became apparent that educated entrepreneurs or those who receive frequent training, have the potential to understand business planning and are able to outsource partnerships from larger businesses globally than their contemporaries with no education. Apparently, entrepreneurs who are highly skilled are motivated towards competition, growth, innovation and business success, and are more likely to establish businesses in more competitive environments than those who have less motivation to seek growth and competitiveness. Among other conditioning variables, the study also found that most of the successful entrepreneurs in Ghana in contemporary times are strongly related to their experience and education or their international exposure.

Despite these findings, most entrepreneurs of SMEs in developing nations may lack basic business management skills and entrepreneurial culture such as growth orientation, risk-taking, savings and investment, with no business innovation and limited access or exposure to modern technology. They may have little or no idea about business planning and strategic management with limited or no training in basic accounting and book-keeping skills to enable them manage their enterprises successfully. Many entrepreneurs admitted that access to finance alone is not enough to transform Ghana's SMEs into powerful, sustainable and competitive enterprises, but they also need business training to bolster their management skills (Director, Ghana Freight Forwarders Association, 2016). Additionally, there is the challenge of skilled labour availability and effective utilization. Some local entrepreneurs are unable to recruit competent managers or skilled professionals who possess the necessary knowledge, abilities, skills and other characteristics ideal for operating and managing their businesses successfully. Many entrepreneurs find it difficult getting skilled personnel for their businesses, but it is prudent for entrepreneurs to ensure harnessing competency, capital and market for competitive advantage. Hiring the right people who are strategically-business-minded and proactive in nature could help a new entrepreneur build a competitive team that can brainstorm on ways to come up with new and innovative ideas to support your vision.

In developing a new business, this is a major challenge that hinder many new businesses, but if successfully overcome, could propel the business into accelerated growth. The human resource problem could be addressed more appropriately if entrepreneurs identify and recruit the right caliber of personnel to work in their businesses and by focusing on both competency and values. Corruption and poor accountability have also led to distrust of employees, which is one of the overriding concerns of many entrepreneurs in handing over the management of their businesses to hired managers. Business owners also fail to outsource some processes to other small businesses that are specialized in particular areas to reduce their cost of production.

Another identified challenge as lack of technological knowhow in Ghana's private sector, in both the formal and informal economies. The Director of the National Information Technology Agency (2015) noted that besides formal education, most Ghanaian entrepreneurs lack technological knowhow, innovation, as well as research and development. SMEs in Ghana are not technology-oriented industries since most rely on old technologies or manual

labour, which affect their businesses' output and performance. Other entrepreneurs also stated that the NBSSI training support is limited and covers a small geographical area in the country, mainly Accra (Members of the Beauticians and Designers Association, 2015). Without availability of adequate raw materials, businesses cannot be competitive and their very existence will be threatened. Physical infrastructure and utilities such as good roads, electricity, communication facilities etc. also play key roles in the seamless functioning of a firm. New entrepreneurs also perform a plethora of duties and roles by being virtually in charge of every aspect of starting and opening a business, which include planning, budgeting, getting a location, production, marketing, purchasing of equipment and raw materials, hiring and training of new staff. The sheer volume of tasks a new entrepreneur performs can be overwhelming for those who may not have the prerequisite knowledge, skills and abilities to undertake these duties or not fully dedicated towards achieving their dream of making the business a success. The study argues that acknowledging these challenges and addressing them could help new entrepreneurs deal with them more appropriately and in so doing, find strategic means of managing their businesses more successfully. Another major challenge is the different kinds of risks entrepreneurs and SMEs face. Generally, SMEs experience problems very different from those of larger corporations. Factors such as operational risk, market accessibility, customer loyalty, skilled labour availability, and lack of opportunity for growth and expansion etc. could mean taking great business risks. The level of risk is largely due to the differences inherent in the volume and quality of resources available to each, and the ability to deal with them. For these reasons, new entrepreneurs require risk management training. All other factors notwithstanding, the success of any business start-up largely depends on the entrepreneur's skill sets and psychological orientation for setting up a new business. Since he/she is the main driving force behind the success or failure of the business, entrepreneurs need to be hardworking, persistence or persevere, ability to take, manage and minimize risk, ability to draw up a comprehensive business plan, with a ready contingency plan to address any unplanned occurrence, and a strong need-orientation that provides the inclination to achieve the firms goals. It is necessary for a new entrepreneur to be involved in every aspect of the business in the initial stages of the business to avoid flaws in delegation and to manage the different risks the new business may be exposed to more effectively. Poor delegation of duties, especially giving responsibility of critical duties to others that require care and crucial attention can adversely affect a new business. Time management is also key to the success of a business, and having an effective time management plan could be very helpful. Dedicating enough time for the business is important in ensuring that all aspects of the business receive a deserving attention in order to grow the business successfully. Overcoming the diverse risks associated with business start-ups is a major challenge for new entrepreneurs, which can be addressed through effective management strategies. As a new business, how the entrepreneur manages the business efficiently and effectively will determine its profitability, competitiveness, and sustainability.

# iii) Lack of competitiveness, technology innovation, marketing strategies for market equity and customer loyalty

New businesses have to deal with the fierce competition from the international firms. SMEs cannot produce large quantities of goods of consistent quality to precise delivery schedules, and are uncompetitive in international export markets. These characteristic problems make domestic SMEs vulnerable to imports from international firms that

produce better quality products and services at lower prices. While many entrepreneurs in developing countries have full knowledge of their product or service, they do not know how to promote them or market them successfully. They lack effective marketing strategies for competitiveness due to inadequate financial resources for marketing and advertising products, which leads to their inability to be competitive and capture a greater part of the local and international market-segment. They also have low capacity for product innovation due to the belief that market demand may not pay for quality, coupled with over-pricing of goods are some of the major obstacles that make locally made goods less competitive even on local markets in developing countries. A major challenge relating to gaining customer loyalty and market share is the result of the colonial antecedent which has led to Ghanaians and generally, Africans' preference for foreign goods and services as compared to domestic ones. As a new business, building brand equity poses one of the most challenging tasks in order to break into the existing market competition, since the business lack an existing track record or reputation for potential customers to trust your product or service. Although an entrepreneur may have the zeal to succeed, but without any confirmation of a successful track record, existing large firms and government organizations will not trust an entrepreneur to award large contracts to his/her new business.

Despite the substantial dividends that can yield from advertising and marketing, SMEs in developing countries rarely engage in aggressive marketing of their products because they lack the required resources, and are deterred by the cost of marketing. Since many SMEs increase production only when they receive an order, they are unwilling to deal with the risks of producing in larger quantities. As a result, SMEs generally sell directly to customers based on advanced orders rather than producing for stock. Poor market responses and the tying-up of capital when producing for stock are among the reasons SMEs manufacture and sell their products mainly on advanced orders (Director, AGI, Accra, 2016). While information, communication and technology is increasingly becoming a critical factor in developing businesses, due to lack of technological knowhow, the technological gap in most developing countries has always posed a serious setback to entrepreneurship development. These challenges experienced by SMEs such as poor transportation and infrastructure, low-level of information communication technology (ICT) knowledge and other factors that impact their operations have national implications and require government intervention to address them appropriately.

Entrepreneurs also face enormous challenge in terms of competition from external transnational firms. The trade liberalisation policy being promoted by the government influenced by advocates of the free market system/neo-liberalism such as the International Monetary Fund (IMF), the World Bank and the World Trade Organisation (WTO), as well as the impact of globalisation makes it easier to import foreign products into the local economy, without adequate protection for local industries. Entrepreneurs with the potential to succeed exhibit an incremental approach to risk taking and have the motivation, drive and ability to mobilise resources to take advantage of market opportunities. Nonetheless, the small local market, limited access to external suppliers and demand, limited export volumes and high costs often lead to difficult entry into larger international distribution channels. More significantly, many entrepreneurs are unable to meet the resulting demand due to the fear of not recouping their investment, which explains their inability to compete in the international export markets. Some officers from the Private Enterprises Federation noted that protectionism, trade tariffs and barriers in the international markets as well as the emerging competition due to the deregulation and liberalisation of the local market are some of the

major obstacles to the innovation and expansion of SMEs in Ghana (Economist, the Private Enterprises Federation, Accra, 2015). In addition, due to the unstable economies in developing economies, the overarching mindset of many new entrepreneurs in these countries is the fear of failure, which can be a barrier to many potential entrepreneurs and need to be changed. The Global Entrepreneurship Monitor Report for 2013 reveals that Ghana's 'Fear of Failure' for new entrepreneurs stands at 24.6% as compared to 10.4% in 2010. This is probably due to the weakening economy, which has made many potential entrepreneurs skeptical towards embarking on new investments. How to break through into the existing competition is an important challenge for new SMEs. New entrepreneurs must recognise competition as a benchmark for creativity and the main motivator for innovation for your business. While competition can make a new business make in-roads into the existing market, it can also make it lose its relevance in the eyes of its customers. Therefore, new entrepreneurs need to adopt different business strategies by constantly improving the quality of their products and services or reducing cost to create value for their customers.

iv) Legal and regulatory framework and Social factors – corruption, cultural attitudes and politicisation of government-sponsored loan schemes

Government policies towards new entrepreneurs are often not favourable for business start-ups. Public sector bureaucracy with licensing of new businesses, and delays in payments for public sector contracts discourage people from setting up new businesses. The high duties and the complexity of the tax systems by the agencies under the Ghana Revenue Authority is a major disincentive to new entrepreneurs. Other factors such as sustainable power supply, lack of infrastructural facilities, non-availability of good road networks and ineffective internet and communication systems discourage many potential entrepreneurs from embarking on business start-ups. Partisanship is part and parcel of many developing countries' politics and permeated every aspect of many societies including the disbursement of loan schemes, which hinder the hinder the development and sustainability of SMEs. Partisanship and government victimisation of opposition party members' businesses often shorten the lifespan of many SMEs since a change of government may result in cutting-off a group of businesses that may have benefitted from access to loans under a previous government. Some entrepreneurs interviewed admitted that lack of support for SMEs due to politicisation of government-sponsored business loans and corruption of officials in charge of government-sponsored organizations and bank officials have led to the demise of many businesses that used to operate successfully. Focus group interviews with entrepreneurs who have participated in the NBSSI and MASLOC loan schemes over the years cited excessive government officials' control and politicisation of funding, victimisation of entrepreneurs and corruption as main reasons why many SMEs have gone bankrupt, especially those that are not supporters of a ruling government. In many developing countries like Ghana, the political culture also fosters attitudes that militate against personal efforts, induce apathy and carelessness in the service to the public, and a careless attitude towards public funds and property.

The politicisation of government loans to businesses has also led to the high default rate by borrowers who have the impression that by getting a loan from their party's government, they are being rewarded for their support, and loan defaulters are not punished due to their party affiliation. It is apparent from the above discussion that entrepreneurs and SMEs in developing countries face numerous challenges, which are diverse and complex, and require prudent measures by the government and its development partners to address them appropriately. These

challenges have similar characteristics with the problems commonly associated with entrepreneurs and SMEs in Africa and the developing world.

#### **Recommendations and Policy Implications for Building Capacity of Entrepreneurs & SMEs**

This study prescribes solutions that could serve as benchmarks for entrepreneurs, owners of SMEs and especially the government to help enhance Ghanaian entrepreneurs and SMEs productivity, sustainability, competiveness and profitability. One common ground in the above theoretical perspectives on entrepreneurship is exploring business opportunities by taking some risks, converting new business ideas into an opportunity, and creating innovation and new value. Entrepreneurship is also a major factor in economic and regional development, since it contributes significantly to economic growth, job creation and business innovation. Below are recommendations on how the government could support entrepreneurs and SMEs development and growth, and also how entrepreneurs could develop their businesses to be competitive:

#### a) The Role of Government in Facilitating SMEs Development & Growth

For entrepreneurs to set-up and operate their businesses successfully, and be competitive nationally and globally, they need to have access to capital because the availability of capital is a major incentive that could attract more entrepreneurial activities. For example, as the two main government initiatives for supporting entrepreneurs and SMEs in Ghana, the NBSSI and MASLOC should expand their technical assistance and financial support for SMEs. Despite the important role SMEs play in national economies and the global economy in general, their level of growth is often hampered by the limited resources, particularly financing. The study recommends that a new policy approach for promoting SMEs should be implemented by governments in developing countries to promote SMEs as a major institutional policy framework, especially through a rural development policy to enable them maintain economic vitality and thrive to become major supporting industries for the economy. Helping them to have access to financial resources, external markets and gain the necessary managerial, technological skills and information will enable them keep abreast with new innovations and other international business best practices to help SMEs build their capacity. Under the new UN Sustainable Development Goals (SDGs) introduced by the United Nations in 2016 to replace the Millennium Development Goals (MDGs), governments in developing countries should redesign the MDG policies to meet the goals and targets set in the emerging SDGs in order to address any bottlenecks in the MDGs to give a boost to the new development agenda in order to meet the needs of potential entrepreneurs and existing SMEs for poverty alleviation. This chapter argues that the government should deal with the various bottlenecks impeding on entrepreneurs' access to funding such as corruption and partisanship in the disbursement of funds to potential entrepreneurs/SMEs from government sources. The results of this study also reveal low awareness and usage levels of various financing initiatives among SMEs, especially those in the rural areas due to lack of information and the perception that most funding schemes are either difficult to access or are politicised. The difficulties SMEs face in accessing funds from various sources include lack of securable assets, lack of information or knowledge about funding opportunities, stringent eligibility criteria, bureaucracy and politicization of fund disbursement by government agencies. These factors limit SMEs' ability to access funds from internal and external sources, therefore the government's policy actions should focus on better information provision to SMEs, and removal of all the bottlenecks hindering free access to government and donor-sponsored credit facilities. The government should introduce measures to bridge the rural/urban dichotomy in access to funding to effectively

trigger entrepreneurial activities in the rural areas through aggressive campaign to educate potential entrepreneurs and owners of existing SMEs. The government also should work with the commercial banks to guarantee part of the credit risks to genuinely potential entrepreneurs and SMEs by facilitating equity capital, which provides a base for further borrowing, reduces firms' sensitivity to economic cycles and provides SMEs with access to syndicates of private and donor venture capital suppliers. SMEs could also be encouraged to access public equity capital through the reduction of listing requirements and subsidising floating cost. Implementing these policy prescriptions could go a long way to improve SMEs access to short/long-term financing and boost economic growth and social transformation in many developing countries.

To address the funding challenges facing entrepreneurs and SMEs, the commercial banks should offer tailor-made credit products and develop flexible and appropriate loan schemes specifically for SMEs. Most importantly, the government should play the role of an intermediary in aligning the interests of banks and SMEs by making sustained efforts to improve SMEs' access to finance, with particular attention to firms with high growth potential. In this regard, the disbursement of loans to SMEs should be based on the viability of individual businesses' performance. To deal with the challenge of loan repayment, it is important that entrepreneurs build exemplary image with the financial institutions to gain their trust and prove their creditworthiness. This objective is based essentially on building strong bonds of cooperation and trust between the banking system and entrepreneurs. It should be noted that any micro-credit loans and other financial schemes' success depend on ready and prompt repayment by beneficiaries, and the creation of an effective machinery for loan recovery by the financial institutions. Since business loans are accompanied by some level of default risks by beneficiaries, loan schemes need to be complemented by public education about the legal liability of loan repayment and the consequences of default. New government policies, strategies and incentives such as tax-exemption for new businesses in rural areas and certain geographical areas that lack jobs to encourage the relocation of business start-ups in rural areas should be encouraged to prevent over-concentration of businesses in the urban areas.

While in the age of globalisation and the promotion of liberalisation, deregulation and interdependence, it is difficult for any government to protect local industries from external manufacturers, developing country governments should introduce short or medium term measures to make SMEs more competitive in the global marketplace. This could be done by helping SMEs in developing countries to adopt "outward oriented" industrialisation strategies to meet international competition. Production efficiency may be raised by competitive measures, which aim at boosting the competitiveness of SMEs and creating opportunities for business growth. The government can also enhance local business competition by applying the "carrot and stick" approach to its loan and grant schemes, in terms of rewarding success and honesty, and punishing failure and dishonesty. Promoting competition through state support could improve the entire SME sector and help many businesses grow faster through efficient and effective management. In circumstances where genuine and well-performing businesses may have justifiable reasons for losses, governments should treat such failure as part of the business learning and risk-taking process. State support could also help build entrepreneurs and SMEs' capacity by instituting effective monitoring and evaluation systems in the private sector and offering them advice where necessary. These actions should be based on public-private partnerships to promote a sustainable system of business support services and secure SMEs' long-term sustainability. For example, in Ghana, the mandate of the NBSSI and MASLOC should be

expanded to work in collaboration with the Ghana Export Promotion Council (GEPC) and the Ghana Investment Promotion Centre (GIPC) to create the enabling environment for SMEs to find foreign partners. The domestic market environment for SMEs can also be facilitated by the government's ministries, departments and agencies (MDAs) to create local markets for SMEs' goods and services, by contracting out the supply of goods and services to them.

With regard to entrepreneurs' management challenges, government financing institutions should expand their training programmes to cover a wider geographical area across countries to teach business owners basic skills in business management such as planning, production, marketing, pricing and sales strategies, savings and investment strategies, competitive strategies, as well as accounting, bookkeeping and effective customer service/customer relationship management and quality/inventory control. Entrepreneurs engaged in medium-scale businesses also need to be proactive in seeking business advice and management training to learn basic financial management, terms of obtaining credit and strategic planning on how to manage credit received, including legal advice on government regulation, contract agreements and negotiation skills in terms of dealing with partnerships. Emphasis should be placed on gaining the necessary business knowledge, skills, abilities and other characteristics that can boost the prospects of entrepreneurs to benefit customers and the economy. There is also a need to educate entrepreneurs on the management of SMEs in terms of how to balance growth, risk and profitability. To achieve this, domestic entrepreneurs in various developing countries need to be trained to learn and implement management by objectives (MBO) strategies in their business operations. Through this, they can increase their organisations' performance and help them align their goals with timelines and evaluate their performance. By building their capacity, entrepreneurs can develop the necessary character traits, discipline and skills to sustain and/or expand their businesses to move closer towards achieving realistic business goals.

Developing the human capital capacity of entrepreneurs and promoting entrepreneurial endeavours will help them transform themselves into competitive and sustainable entities in order to become the driving force of the economy, and aid the government's poverty reduction initiative.

Since information is of strategic value in achieving business effectiveness and efficiency for organisational competitiveness, the government should take all necessary steps to facilitate entrepreneurs' access to information that will enable them to improve their business performance. Information on existing services and schemes should be coherent and made easily accessible to SMEs by instituting a programme to help SMEs with identifying potential international suppliers and distributors. Locating efficient local suppliers can also help reduce time for delivery, transportation costs and after sales services. Information on financial support, and fiscal incentives, including those for investment in training and innovation, needs to be introduced and widely disseminated to all beneficiaries, especially SMEs in the rural areas. In every developing country, procedures for starting, transferring and closing a business need to be simplified. This implies reducing the time, cost and formalities needed for registering a company and lowering capital requirements. There is also a need to simplify the tender process to make it easier for SMEs to compete for contracts. Rules governing business activity must be transparent and applied uniformly without any biases regardless of an entrepreneur's party affiliation. The data on the operations of SMEs should be updated, bureaucratic bottlenecks in the registration of business also need to be removed and favourable microeconomic conditions to boost entrepreneurs parts affiliation. For example, in Ghana the

passage in December 2003 of the Public Procurement Law (Act 663) by the government which granted concessions to local businesses in the procurement process was a step in the right direction since it gives preferential treatment to local businesses so far as they have the capacity and meet the contract requirements. Since the public procurement system constitutes the largest domestic market, this new procurement law could channel resources to domestic enterprises and thus become a mechanism for SMEs' growth. It should however be pointed out that these benefits will be realised only if SMEs improve upon the quality of their products and meet market demand deadlines by customers. It is also imperative that the government reduces the cost of energy, lower taxes, import/export duties, and other costs that impede the sustainability and success of domestic SMEs and attract new investors to relocate their businesses from neighbouring countries in the sub-region.

#### b) Self-motivated Initiatives to Build Competitive Capacity of Entrepreneurs & SMEs

Entrepreneurs and SMEs in emerging and frontier economies must also be flexible to cope with the changing market environment, meet the changing technological needs of the global system, and meet the changing needs of their customers more effectively. Business owners must set their priorities right by not mingling their business with family issues, desisting from the negative cultural influences on business practices and make business growth their primary focus. While locating foreign markets for locally-produced goods is important for developing countries' socio-economic development, revitalising the domestic market and promoting the patronage of locallyproduced goods should be a first step in this process since this will strengthen the financial base of SMEs and have a positive effect on the economy. To deal with the challenge of gaining a greater market share, there is a need for entrepreneurs to implement their business strategies more effectively and efficiently by identifying a target market for their products/services, and reducing their costs to create value for their customers, or producing quality goods and services that are in high demand, or integrating both quality and price for their potential customers. It is also prudent to conduct market testing for their goods and services, even before investing in the products and services. This could help SMEs have readily available clientele for their products in order to expand their customer-base and grow at a fast pace. To strengthen entrepreneurs and SMEs financially, technologically and gain greater market share in the global marketplace, the SMEs with the help of government should seek more international suppliers and customers, and establish partnerships with foreign firms for technology transfer from the foreign firms. This partnership will help local SMEs to learn about best practices of domestic and international companies. By combining business, corporate and global strategies, it will be vital for local entrepreneurs to take some level of responsible risk in investment and business expansion. Entrepreneurs and SMEs need to modernise their business operations by moving away from traditional enterprises to industrial and technological-based enterprises. It is also important for governments to help develop and empower new entrepreneurs to ensure that a new breed of enterprises that are more in tune with modern technology and industrial development, with a more informed and modern outlook than traditional enterprises can provide. Since the availability of market for goods and services greatly determines a business' viability, access to market is one of the major constraints confronting SMEs. It is necessary that SMEs are afforded the opportunity to have easy access to markets for their products both locally and internationally. Creating access to new domestic and foreign markets should be complemented by high guality standards to ensure the production and supply of high guality goods by the SMEs. This study also suggests that local entrepreneurs need to build their capacity and their organisations' standards to meet international best

practices by using new technologies and modern management techniques to respond effectively to customer demands and new global trends in business competiveness. Domestic firms could also take advantage of the technological innovation in business through the emerging e-commerce/e-business to keep pace with trends in global markets. No matter what business one may intend to set-up and operate, opening an electronic store-front or online website will make it more accessible to local customers and enable potential customers across the globe to view one's products catalogue, price lists, and other information.

#### c) Need to Plan Well and Set Realistic Goals to Accomplish Set Objectives

Entrepreneurs and managers of SMEs in developing countries also need to set specific, measurable, attainable, realistic and timely objectives in order to stay competitive and profitable. To be competitive against large firms, SMEs must set high goals because a low goal exerts low motivational force and setting specific objectives in line with the high goal may offer the entrepreneurs a much greater chance of being accomplished. To make such objectives attainable is not just setting them, but entrepreneurs need to identify the objectives that are most important to them and figure out how to achieve them. Establishing concrete measurable criteria for assessing progress toward the attainment of each objective by developing different attitudes, knowledge, abilities, and skills could help SMEs to stay on track and reach the greater part of their set goals. Through these initiatives, new opportunities can be attained when the necessary steps are taken to establish a time frame that allows the entrepreneurs to carry out their plan successfully. Indeed, one needs to be both willing and able to work towards one's goals and show substantial progress in reaching them through the achievement of the related objectives. Entrepreneurs need to accomplish the objectives set and examine the necessary conditions in order to accomplish their goals. An objective should also be grounded within a time frame to give it a sense of urgency. Entrepreneurs' objectives can also be tangible when they make them specific, measurable and attainable. These objectives can be met successfully if they are well-planned on their daily, weekly, monthly, guarterly, mid-year and annual activities to track progress based on set targets as well as by setting up reminders such as to-do lists, daily planners, and other forms of record keeping. This study argues that to be successful, entrepreneurs must understand their business strategy and develop effective marketing strategies.

#### **Conclusions – The Way Forward**

This chapter sets out to investigate the prospects and challenges of entrepreneurship and SMEs' development and the effect of entrepreneurial orientation and personality on performance, and how to address these challenges more effectively to serve as the engine of developing countries' industrial and socio-economic growth in the 21<sup>st</sup> Century. As the case of Ghana has shown, the benefits of the various NBSSI and MASLOC programmes and services demonstrate how greater commitment by the government can help make SMEs the foundation for job creation, economic resource redistribution and propel the country into an economic, industrial and technological giant in Africa. This chapter contends that new, dynamic and more aggressive private sector development policies, viable loan schemes and management training programmes must be provided by governments in developing countries' and their development partners to build the financial and managerial capacity of SMEs in order to make them sustainable, and ultimately, enhance their contribution towards the broader society. If developing countries' governments' initiatives are to have significant impacts on SMEs, then government policy should be strengthened in this area to ensure that the numerous challenges facing SMEs are addressed adequately and appropriately to

enhance the prospects and potential of achieving socio-economic development. As comparable studies have shown, the challenges in the promotion of entrepreneurial activities and SMEs highlighted in the study can be attributed to similar challenges facing entrepreneurs and SMEs in the developing world in general. Through these recommendations, various governments in the developing world could develop appropriate policies that could go a long way to redistribute much-needed resources to entrepreneurs and SMEs. Based on this chapter's findings, it could be argued that the NBSSI and MASLOC initiatives have not been successful enough to propel SMEs in Ghana to facilitate their growth and expansion and make them competitive globally. For this reason, it is important that the government takes a second look at existing policies and strategies and redesign effective ones to facilitate entrepreneurship development, new business start-ups and SMEs growth. This chapter concludes with the view that domestic entrepreneurs and SMEs need to be an integral embodiment in government policies because unlocking private sector potential is key to sustained economic growth. With the dominance of neo-liberalism and capitalism in the contemporary global system, state enterprises cannot be the panacea for citizens' job needs or solving the myriad of societal problems. Support for entrepreneurs and SMEs is one of the effective tools that should be at the heart of any government's private sector development initiatives towards achieving the new 2016 Sustainable Development Goals (SDGs) agenda that have been introduced by the United Nations to replace the MDGs. This could help move frontier and emerging economies from economic stagnation into dynamic thriving economies and drive up the wealth of most citizens, particularly the poorest in the society. The chapter has shown that the promotion of entrepreneurial activities, in terms of the issues and analysis highlighted in the case of Ghana, can be linked to business start-ups and SMEs' operational challenges in other developing countries with similar experiences.

To motivate people to become entrepreneurs, they should be equipped with the prerequisite skills such as business start-up and management training, availability of funds, tax breaks and other incentives for business start-ups, making these support sufficiently available will help new entrepreneurs turn their ambition into successful business ventures. Evidence from this study identified in the empirical analysis shows that like many developing countries, government's support for new entrepreneurs and SMEs in Ghana has not been very successful due to politicisation, corruption and favouritism in the administration of funds to SMEs. The study concludes with the view that while there are signs of optimism for new business start-ups in developing countries, to develop a comprehensive approach towards promoting entrepreneurial ventures to help them develop into healthy firms, a supportive framework and enabling conditions must be created by developing country governments based on three levels the individual entrepreneurs, the firm and society in general. By taking these findings and recommendations into consideration could help governments in developing countries to develop appropriate policies that could also go a long way to redistribute entrepreneurial activities in both the rural and urban locations and help address some of the variation factors in rural/urban business start-ups. The study's findings, along with policy implications as suggested in the concluding section contribute to the literature on the challenges and opportunities in the development of new business start-ups in developing countries. Examining the challenges facing entrepreneurs and SMEs and suggesting possible solutions to address these problems could help policy makers and development practitioners in Ghana to redesign appropriate policies to support entrepreneurs and SMEs. This step will help build the capacity of new entrepreneurs and SMEs to contribute significantly towards the developing economies' socio-

economic development in the 21<sup>st</sup> century. More importantly, the success of Ghana's private sector development initiatives could significantly help other African countries' use the model as the basis for reviewing their private sector development policies. The outcome of this study could have implications for potential entrepreneurs, managers, academics and policy makers. This study will also serve as guidance for policy making and provide a framework for future research on entrepreneurship development and facilitate SMEs operations in the developing world.

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## Linkage Strategies, Industry Forces and University Performance

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#### Abstract

This study sought to contribute to knowledge by assessing the moderating effect of industry forces on the relationship between linkage strategies and performance of universities in Kenya. Porter's five forces model and Resource Based View (RBV) are the main theories anchoring the study. Cross-Sectional survey was adopted as the research design. The population of the study consists of sixtyfive (65) public and private universities incorporated in Kenya. Out of this, a sample of forty seven (47) universities which had undergone at least one graduation cycle was taken. Primary and secondary data was collected using semi-structured questionnaires and review of existing university documents and regulatory bodies websites respectively. The instrument was tested for reliability and found fit. Analysis was undertaken using correlation and regression analyses to test hypotheses. Analysis of variance was also used to determine the differences between group means. Coefficient of variation (C.V) was also used to measure variability and consistency in scores of different universities when standard deviation and arithmetic means are compared. Out of the targeted forty seven (47) respondents from forty seven (47) universities, a total of forty four (44) questionnaires were returned, representing 94% response rate. It was established that there is a moderating effect of industry forces on the relationship between linkage strategies and organizational performance. The results provided rich implications for theory, policy and practice. The significance of industry forces in strategy formulation and implementation requires concentrated attention. The findings offer insights to university authorities and policy makers by answering the question on the influence of industry forces on performance of higher learning institutions. The key recommendation that the study offers to the stakeholders, is the need to consider industry forces as critical determinants during strategy formulation and implementation process in order to enhance university performance. The main limitation of this study is that primary data was collected from only one respondent per university but common methods bias was mitigated through the use of additional secondary data to validate primary data. Thus, the limitation did not affect the credence of the results as presented and discussed. Secondly, although it was not possible to include all the determinants of institutional performance, balanced score card was appropriately used to represent financial and non-financial aspects that constitute performance indicators.

Key words: industry forces, linkage strategy, economic sector, university performance.

#### Introduction

Carefully formulated and appropriately executed strategy is generally expected to enhance organisational performance. However, the relationship between strategy and organisational performance is influenced by both internal resource conditions and industry forces. Industry forces are external factors to the firm that have market orientation and mainly focus on the product side. According to Porter (1985), the sources of value for the firm are embedded in the competitive situation characterizing its external product markets. In this perspective, a firm's sources of market power explain its relative performance. Porter (1980) advanced five forces model as favourable industry environmental analysis tool where competitive advantage is caused by industry forces arising from the structure of the market. Scholars in the field of strategic management have conceptualized industry forces as one of the key constructs for understanding organisational performance (Hofer and Schendel, 1978). The five forces include the threat of substitute products or services, the threat of established rivals, the threat of new entrants, the bargaining power of suppliers and the bargaining power of customers. In a typical university, the customers constitute the stakeholders who demand quality service at affordable price. The researcher considered suppliers who exercise their bargaining powers in public universities to include the parents, guardians, sponsors and schools that supply students as row materials to be processed into quality output at affordable price by the universities. Universities' financiers such as the government and other financial institutions demand guality services as well. According to Martin (2000), threat of entry for a university is often caused by alternative universities in the education industry competing on rapid changes in technology, price volatility and emerging market demands. Threat of substitution can be considered as other emerging alternative education such as e-learning, open learning methods and distance education that can be used as substitute by clients and lastly the rivalry among current competitors can be caused by both existing and upcoming private and public universities offering similar services. Mahdi et al. (2012) conducted a literature review of relationship between industry forces which they named as market orientation and performance among 61 articles within Asian sphere since 1995 to 2010. The survey showed an upward trend in studying industry forces and performance relationship among strategy researchers. The study also found some industry forces variables directly related to and at the same time moderators of performance within manufacturing and service industries. They concluded that in today's highly competitive global markets, managers strive to improve organizational effectiveness through identification of organizational strategies which linked to performance and that competitive industry influence is prominent subject that has emerged as a significant predictor of performance, and it is presumed to contribute to long term success. Sven et al. (2007) also conducted a cross-sectional sample survey of 530 hotels within Norwegian hotel industry. They established that industry forces have only a modest effect on relative productivity and no effect on return on assets and that the strongest effect of industry forces on performance was found when applying the subjective performance measures. Studies exploring linkages between higher education and industry have shown that having a strong symbiotic relationship between the two would enable the synergies to be exploited. This implies that performance of a higher learning institution should be measured in terms of quality of linkage it has with economic sector demands. The economic sector continually demands for relevant and competitive human resources from higher learning institutions (Ginies and Mazurelle, 2010). According to Eshiwani (1999), a university can only remain relevant if it

responds promptly to the changing technology and emerging economic sector demands, by formulating proper linkage strategies. Munyoki et al. (2011) noted that firms are reluctant to pay for new ideas, while universities tend to become too profit oriented as opposed to transferring the inventions to seek relationships with companies. The indicators of guality linkage strategies that foster relationships between economic sector and higher education were established by both Karanja (2011) and Chatterton and Goddard (2001) as curriculum orientation, enhanced industrial attachment, appropriate teaching and learning facilities and collaborative research. From the previous studies, curriculum orientation, industrial attachment focus, teaching and learning focus and collaborative research constitute key indicators of university-economic sector linkage strategies. Kaplan and Norton (2008) introduced balance scorecard which considers other non-financial measures of performance such as internal business process, learning and growth and customer perspective. The economic sector constitutes all the stakeholders who exert influence and with interest in the university education. It includes the business, agricultural and public sectors that consume university education by providing employment opportunities to university graduates. There have been attempts to examine the relationships among industry forces, strategy, and performance (Prescott, 1986). However, research examining that threefold relationship has not adequately addressed the issue of whether industry forces are separately and independently related to performance, moderators of the relationship between strategy and performance or some combination of the two.

#### Hypotheses of the Study

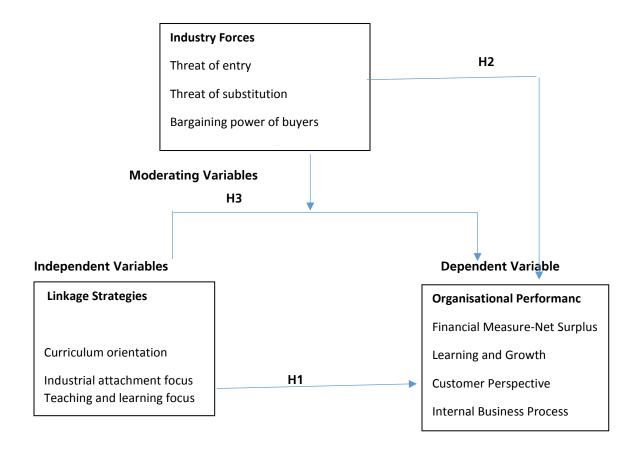
The following hypotheses are derived from the literature debate:

Hypothesis 1: There is significant relationship between linkage strategies and organisational performance.

**Hypothesis 2:** There is significant relationship between industry forces and organisational performance. **Hypothesis 3:** There is moderating effect of industry forces on the relationship between linkage strategies and organisational performance.

#### **Conceptual Framework**

An integrated framework to respond to the knowledge gaps identified in the literature review in this study has been designed with two components. Linkage strategies constitute independent variables, industry forces constitute moderating variables and organisational performance constitutes dependent variable. The study determined the direct relationship between linkage strategies and organisational performance, direct relationship between Industry forces and organisational performance and its moderating effect.



#### Source: Author, 2014

#### Figure 1: Conceptual Model

#### Methods

The study adopted cross-sectional survey design. According to Irungu (2007), descriptive cross-sectional survey is appropriate where the overall objective is to establish whether significant associations among variables exist at some point in time. The cross-sectional approach involved collecting and comparing data from the phenomena as at the time of study. The combination of qualitative and quantitative data enabled adequate explanation of the variables and predictions in their behaviour without resorting into inquiries of the temporal effect. The design enhanced uniform data collection and comparison across respondents. Correlation analysis was used to check the nature and direction of relationships while regression analysis was used to establish mathematical models and test formulated hypotheses. ANOVA was also used to determine the differences between group means. As at the time of this study, there were a total of sixty five (65) universities operating in Kenya (Commission for University Education, 2013). Thus, population of this study comprises 65 public and private universities incorporated in Kenya.

From the 65, forty seven (47) universities which had undergone at least one (1) graduation cycle were sampled. Out of this, twenty two (22) were public and twenty five (25) were private universities. This sample size of 47 constitutes 72% of the population and it is way above the required 10% as a representative sample for a homogenous population. According to Kothari (2004), a population sample constituting 10% and above is appropriate if the researcher is dealing with a homogenous population.

#### Results

The primary and secondary data gathered were cleaned, coded, sorted, analyzed, interpreted and presented in different tables.

		•
		University Performance
University Performance	Pearson Correlation	1
	Sig. (2-tailed)	
	Ν	44
Curriculum Orientation	Pearson Correlation	.895**
	Sig. (2-tailed)	.000
	Ν	44
Industrial Attachment Focus	Pearson Correlation	.868**
	Sig. (2-tailed)	.000
	Ν	44
Teaching and Learning Focus	Pearson Correlation	.864**
	Sig. (2-tailed)	.000
	Ν	44
Collaborative Research	Pearson Correlation	.919**
	Sig. (2-tailed)	.000
	Ν	44
Linkage Strategies	Pearson Correlation	.979**
	Sig. (2-tailed)	.000
	Ν	44

Correlation and Regression Analysis between Linkage Strategies and University Performance Table .1: Correlations between Linkage Strategies and University Performance

		University Performance
University Performance	Pearson Correlation	1
	Sig. (2-tailed)	
	Ν	44
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Teaching and Learning Focus	Pearson Correlation	.864**
	Sig. (2-tailed)	.000
	Ν	44
Collaborative Research	Pearson Correlation	.919**
	Sig. (2-tailed)	.000
	Ν	44
Linkage Strategies	Pearson Correlation	.979**
	Sig. (2-tailed)	.000
	Ν	44

\*\*. Correlation is significant at the 0.05 level (2-tailed).

Source: Primary data, 2014

Correlation analysis was done after aggregating the variables as composite indices. When Pearson's product moment correlation coefficient (r) was computed, it was established that there exists high positive correlation between linkage strategies and university performance since r= 0.979, which is greater than 0.7. The correlation is significant at p value (0.000) < 0.05 as shown in Table 1.1. Correlation analysis between the indicators of linkage strategies and university performance shows that collaborative research has the highest positive correlation with university performance with Pearson's product moment correlation coefficient (r) = 0.919, which is greater than 0.7. This was followed by curriculum orientation, Industrial attachment focus and teaching and learning focus with r=0.895, 0.868 and 0.864 respectively. The correlation is significant at p value (0.000) < 0.05.

	Stand	ardised			R		Df		Collinearity	
	Coeffi	cients	Sig.	R	Square	F		Sig.	Statistics	
Regression	В	Std. Error		.940ª	.883	73.531	4	.000ª	Tolerance	VIF
Constant	.493	.220	.0312			Residual	39			
Curriculum	.041	.177	.0531						0.078	10.12
Orientation	.041	.1//	.0551	.0531						
Industrial	.121	.132	.0512						0.144	6.92
Attachment Focus	.   ∠	.152								
Teaching and	.125	.138	.0543						0.181	5.51
Learning Focus	.125	.130								
Collaborative	151	451 .135	.0411						0.091	10.9
Research	.471									

#### Table 1.2: Regression Summary and ANOVA on Linkage Strategies and Performance

Regression model is significant at the 0.05 level (2-tailed).

Source: Primary data, 2014

Regression analysis was carried out to establish the equations for the models. To fix collinearity the stepwise method of model selection was used in order to include only the most useful variables in the models. Collinearity is indicated by tolerance close to zero (0) and variance inflation factor (VFI) greater than ten (10). Tolerance is the percentage of the variance in a given predictor that cannot be explained by the other predictors. A variance inflation factor greater than 10 is usually considered problematic. When each linkage strategy was regressed with university performance as shown in Table 1.2, collaborative research (R) was found the most significant predictor of university performance  $(Y_1)$  with p value (0.0411) < 0.05 followed by industrial attachment focus (I) with p value (0.0512) and then curriculum orientation (C) and teaching and learning focus (T) respectively(p values = 0.0531) and 0.543 respectively). The regression model relating each linkage strategy and university performance can be expressed as Y,=0.49 +0.04C +0.13I + 0.12T + 0.45R. The model implies that a unit percentage increase in curriculum orientation would cause 0.04% increase in university performance, a unit percentage increase in industrial attachment focus would cause 0.13% increase in university performance, a unit percentage increase in teaching and learning focus would cause 0.12% increase in university performance and that a unit percentage increase in collaborative research would cause 0.45% increase in university performance. Table 1.2 shows that F (4, 39) = 73.531 and p value<0.001, tolerance values>0 and most VIF values < 10, thus the regression model is a valid relationship between linkage strategies and university performance. Consequently the first research hypothesis was accepted as follows:

Hypothesis 1: There is a significant relationship between linkage strategies and university performance.

#### **Correlation and Regression Analyses on Industry Forces and Study Variables**

Table 1.3 shows industry forces ( $X_2$ ) has high negative correlation with university performance (Y) with r=-0.95>0.7 and correlation being significant at p value (0.000) < 0.05. High negative correlation was also established between

industry forces ( $X_3$ ) and linkage strategies ( $X_1$ ) with r=-0.958>0.7 and correlation being significant at p value (0.000) < 0.05.

		Y	X1	X2	
Y	Pearson Correlation	1	.979**	947**	
	Sig. (2-tailed)		.000	.000	
	Ν	44	44	44	
X <sub>1</sub>	Pearson Correlation	.979**	1	958**	
	Sig. (2-tailed)	.000		.000	
	N	44	44	44	
X <sub>2</sub>	Pearson Correlation	.950**	.960**	968**	
	Sig. (2-tailed)	.000	.000	.000	
	N	44	44	44	
X <sub>3</sub>	Pearson Correlation	947**	958**	1	
	Sig. (2-tailed)	.000	.000		
	N	44	44	44	

Table 1.3: Correlations between Study Variables

\*\*. Correlation is significant at 0.05 level (2-tailed).

Source: Primary data, 2014

When each of the indicators of industry forces were treated as independent variables and regressed with university performance, only threat of substitution (TS) and rivalry among current competitors (RCC) were found insignificant predictors of university performance ( $Y_2$ ) with p values (0.653 and .879 respectively)> 0.05. Bargaining power of buyers (BPB), bargaining power of suppliers (BPS) and threat of entry (TE) were all found significant predictors of university performance with p values less than 0.05.

From Table 1.3, the regression model relating each industry force indicator and university performance can be expressed as  $Y_2$ =6.096-1.01BPB-2.52BPS-1.08TE-0.029TS-0.057RCC. The model implies that a unit percentage increase in bargaining power of buyers would cause 1.01% decrease in university performance ( $Y_2$ ), a unit percentage increase in bargaining power of suppliers would cause 2.52% decrease in university performance ( $Y_2$ ), a unit percentage increase in threat of entry would cause 1.08% decrease in university performance ( $Y_2$ ), a unit percentage increase in threat of substitution would cause 0.029% decrease in university performance ( $Y_2$ ), and finally, unit percentage increase in rivalry among current competitors would cause 0.057% decrease in university performance ( $Y_2$ ).

	Standard	dised			R		df		Collinearity	Statistics
	Coefficie	ents	Sig.	R	Square	F		Sig.		
Regression	В	Std. Error		.991a	.982	337.804	6	.000ª	Tolerance	VIF
Constant	6.096	.082	.000			Residual	37			
Bargaining Power of Buyers	-1.012	.080	.000						.690	9.587
Bargaining Power of Suppliers	-2.52	.443	.000						.211	6.813
Threat of entry	-1.08	.140	.000						.172	5.460
Threat of Substitution	029	.083	.653						.003	16.371
Rivalry among Current Competitors	057	.399	.879						.002	56.987

Table 1.4: Regression and ANOVA on Industry Forces and Performance

Regression model is significant at the 0.05 level (2-tailed).

#### Source: Primary data, 2014

Table 1.4 shows that F (6, 37) = 337.804, p value (0.000) < 0.05, tolerance values>0 and all VIF values < 10 (apart from threat of substitution and rivalry among current competitors having VIF 16.371 and 56.987 respectively>10 and tolerance values 0.003 and 0.002 respectively close to zero). Thus the regression model relating industry forces and university performance is a valid relationship. The square of multiple correlations ( $R^2$ ) =0.982 shows that industry forces explain 98.2% of variation when other variables in the conceptual model (Fig. 1) are constant. Consequently the second hypothesis was accepted as follows: *Hypothesis 2: There is a significant relationship between industry forces and university performance.* 

To test hypothesis 3, that there is a moderating effect of industry forces on the relationship between linkage strategies and organizational performance, a hierarchical multiple regression analysis was conducted. Linkage strategies and industry forces were Centered and an interaction term  $(X_1 * X_3)$  between them was created and then added to the regression model. This accounted for a small proportion of the variance in university performance caused by moderating effect of industry forces. As shown in Table 1.5, the change in squared multiple correlation coefficient ( $\Delta R^2$ ) = 0 .002 which is not significantly greater than zero since p value (0.426) >0.05. This shows that industry forces explain additional 0.2% variation in university performance. Further,  $\Delta F(1, 40) = 0.648$ , p value (0.426) > 0.05 shows insignificant variation in the model fit.

#### Table 1.5: Model Summary and the Change Statistics

					Change Statistics				
		R	Adjusted R	Std. Error of	R Square	F			Sig. F
Model	R	Square	Square	the Estimate	Change	Change	df1	df2	Change
1	.924ª	.855	.847	.43325	.855	120.436	2	41	.000
3	.926 <sup>b</sup>	.857	.846	.43512	.002	.648	1	40	.426

Regression model is significant at the 0.05 level (2-tailed).

Source: Primary data, 2014

Although insignificant, there is still some moderating effect of industry forces on the relationship between linkage strategies and university performance. Hypothesis 3 was therefore accepted as follows: *Hypothesis 3: There is a moderating effect of industry forces on the relationship between linkage strategies and organizational performance.* 

#### Conclusion

The findings of this study reaffirm that strategies fused with linkage components enhance organisational performance. Therefore, when organisational strategies do not reflect linkage aspects in reference to the economic sector it serves, performance becomes weak. Findings of this study demonstrate that industry forces are strong predictor of organisational performance. However they cause a small moderating effect on the relationship between linkage strategies and university performance. It is clear from the findings that universities can only remain relevant if they respond promptly to the changing technology and new economic sector demands, by formulating proper linkage strategies and embrace the effect of industry forces in order to counter competition and strive to attain and maintain a competitive edge over the rivals in all areas of operation. Embracing healthy competition would lead to improved resource conditions, involvement of stakeholders in decision making process and reduction of destructive competitive forces within education sector as an industry.

#### Implication of the Study

The study findings have theoretical, practical and policy implications for future researchers, university authorities and all stakeholders. Resource-based view (RBV) and five forces model as the main theories anchoring the study provides a favourable model for analysing the appropriate strategies that can provide effective university educationeconomic sector linkages. The regression model linking strategies and university performance demonstrates that authorities in higher learning institutions can apply the models in predicting performance of their institutions. RBV provides the frame work within which the linkage strategies can be identified from the internal firm resources. It is clear from the findings that industry linkage components must be fussed in the strategies in order to realise

superior organisational performance. The study findings clearly define the influence of industry forces in explaining firm performance. Porter (1981) observed that most scholars attribute firm performance to competitive forces within and without the firm and therefore, it has been difficult to distinguish their relative roles. This study bridges this gap by establishing mathematical models to explain separate and moderating effect of industry forces on organisational performance and its link with linkage strategy. For practice, the study highlights the most significant components of strategy that impact on university performance. Curriculum orientation, industrial attachment, teaching and learning focus and collaborative research have been established as significant predictors of university performance. The university authorities must therefore strategically link these indicators to the industry by involving stakeholders in strategy formulation and implementation process, in order to realise superior performance. Similarly, for universities to attain and maintain competitive advantage, they have to reduce industry competitive forces and threats so that they exhibit monopoly-like characteristics. Findings indicate that threat of new entry is the most significant indicator of industry forces. In the recent past, universities in Kenya have been undergoing quite substantial transformation with a number of constituent university colleges converting to autonomous and fully fledged universities. The number of private universities has also been on the increase. This has caused unavoidable competition and changing market positioning in the education sector as an industry. Policies that mitigate intense competition should revolve around the five forces model so as to reduce the high industry threats and powers in order to attain monopoly-like characteristics. This would consequently enhance organisational performance. Future research could focus on the relative roles of both industry forces and resource conditions in influencing the relationship between linkage strategy and organisational performance. This study mainly dwelt on the role of industry forces. It would also be interesting to test these convergent findings in a relatively stable environment.

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### Managing Intercultural and Practice-Oriented

Student Projects: Evidence from Kenya,

### Germany, Ghana and the United States of America

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#### Abstract

"Building Bridges Across Continents" (BBAC) is an intercultural and student-centered project that seeks to promote international communication and helps students develop competencies in entrepreneurship, international trade and global cultural awareness. The project, which is in its fourth phase of implementation, connects students from the United States, Germany, Ghana and Kenya with the help of Information Communication Technologies (ICT) in order to work on a common research assignment for a period of ten calendar weeks. The main ICTs used in the project are Skype, Facebook, wiki, email and WhatsApp. This paper describes and analyzes the background, structure, and results of the project.

Keywords: Information Communication Technologies, Intercultural Communication, Student-Centered Learning, Global Cultural Awareness

#### 1. Background

In a globally competitive marketplace, education plays an important role in opening opportunities in trade and entrepreneurship. While entrepreneurship creates a sustainable pathway to employment, unemployment rates in many countries and more specifically among developing economies are very high. The high unemployment rates are partly linked to the fact that students are graduating with insufficient practical skills in communication, media literacy, critical thinking, global cultural awareness and entrepreneurship. Although academic curricula are reviewed regularly, the review process in some countries tends to lag due to the lengthy approval process in universities with bureaucratic structures. Moreover, the review process does not always reflect the emerging and current challenges that graduates are facing during and after graduation. The unemployment rate is unlikely to fall without the adoption of a more practice-oriented education that empowers graduates to exploit the existing and emerging economic, social and technological opportunities in the virtually connected world.

Although governments have been put under pressure to create employment opportunities, little thought has been given to the potential that can be unlocked by small, innovative and incremental projects by individual universities working in a network with other universities within and across continents. Creative networking approaches which draw upon intellectual resources can create knowledge and experiences that shape and change people's attitudes towards entrepreneurship and technology in local as well as global contexts. Hence, training and exposure are required to reorient the mind-set of students toward entrepreneurship and technology. "Building Bridges Across Continents" (BBAC) is a practice-oriented project that uses learner-centred pedagogical methods to address the challenges of providing students with the needed skills for employment. The project thrives on the use of Information Communication Technologies (ICT) which empower students to take charge of their learning by interacting with their peers across nations and continents. Through this socio-cultural approach, learners acquire essential life and communication skills while increasing their cross-cultural awareness and gaining competencies for the global workforce (Chun 2015).



#### Figure 1 Project Logo

The project began four years ago when Bonn-Rhein-Sieg University of Applied Sciences in Germany and Cape Coast University in Ghana started to cooperate with each other. The initial collaboration involved different groups of students working on specific research projects. In addition, students held virtual meetings through Skype, conducted surveys and compiled reports. Over the last two years, two more universities, the University of Nairobi in Kenya and Coastal Carolina University in the United States of America, joined the project. In 2016, the total number of participating students reached forty-one. The project aims to expose students to the cultural differences between the participating countries and enhances the ability of students to engage in intercultural negotiations via digital communication.

#### 2. Goals and Objectives

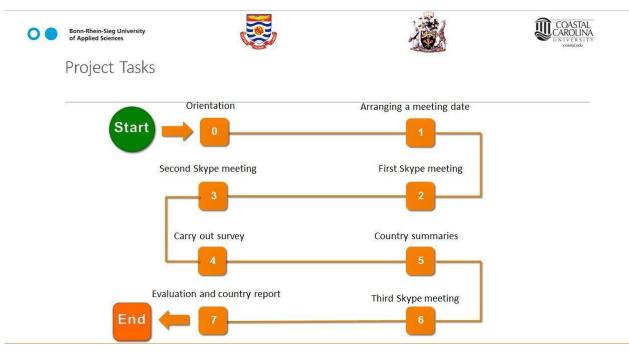
The overall goal of the project is to encourage international communication and to increase cross-cultural awareness among students and faculty members. In order to reach this goal, the project pursues several objectives. First, students who participate in the project will develop a familiarity with information communication technologies such as Facebook, Skype and wiki and enhance their intercultural management abilities. In addition, the project aims to provide opportunities for fruitful collaborative research and teaching among both students and faculty members in four different countries and four different institutions of higher learning. Finally, the project encourages the spread of student-centered teaching methodologies among the participating universities.

#### 3. Project Structure

The project uses several methods to accomplish its objectives. The first step each year entails organizing a kick-off meeting between project team leaders in the participating universities. The meeting takes place either in a face to face setting or via Skype. During the first meeting, the team leaders agree on a manageable time schedule. This is the most challenging step as each institution has different academic schedules with country specific breaks and holidays that do not necessarily coincide. Therefore, the project is normally limited to a 9-10 week timeframe. Once the dates have been confirmed, specific responsibilities to implement the project are divided up amongst the countries. The next step involves the writing and updating of the student guidelines for the project in the current year. These guidelines provide a detailed description of the tasks and deadlines the students need to complete. These instructions are subsequently uploaded onto the project wiki. A wiki is a collaborative writing tool used as a website. The wiki is hosted and supported by the Bonn-Rhein-Sieg University of Applied Sciences. Team leaders hold online review meetings at least three times during the project to receive updates reports from each country and to address unforeseen challenges. The team leaders refresh their own familiarity with the project wiki. the project in the current

A project leader who is a faculty member in one of the participating universities selects the students in each country. Students are selected by their interest in intercultural communication, their knowledge of online information communication technologies and their availability throughout the project period. However, the project leaders in each country are at liberty to guide the student selection process such that chances of success are maximized. A list of participating students together with their relevant contact information is subsequently uploaded onto the wiki.

Once students are selected, the students are placed into one of the six international teams with two representatives from Ghana, Germany, Kenya and one from the US. For the student, the project begins with an orientation phase in their respective countries. A paper version of the guidelines is distributed and the project tasks with the seven steps (seen image below) are described. Each project leader provides some technical training for using the project wiki, which serves as a joint platform for all students. Students are encouraged to read the guidelines carefully and are reminded to observe all activity deadlines throughout the duration of the project.



#### Figure 2 Project tasks

After being introduced to the project, the students reach out to their assigned team members in the various countries through email, and by uploading a short video clip on Facebook and WhatsApp. Within the group, students are asked to schedule Skype meetings which they are assigned to chair. Other students are asked to take minutes. The minutes of every meeting are uploaded into the wiki.

In order to encourage communication and collaboration, students work on a survey which attempts to measure the perceptions of the population in each county about a specific research question. In 2016, the research topic chosen was the general perception of Genetically Modified Organism (GMOs) in the respective countries. Students had little or no experience in the field and found the topic initially challenging, based on the feedback all students were very much interested in working on the topic. Students collected data and compiled reports that were shared with their team members. Clearly attitudes in Germany, the US, Ghana and Kenya varied. Issues of food scarcity were not part of the debate in Germany and the US, but students were able to discuss and reflect on different perspectives on attitudes and country specific notions on pro and contra arguments for using GMOs. Once the reports are ready, a consolidated survey report is prepared for each institution and funding agencies. In order to complete the project, the international teams have to complete seven tasks in 9-10 weeks.

A multiple number of digital communication tools are used for the specific tasks as each tool has its specific purpose and students learn what type of tool is most appropriate for the task involved. A multimodal approach to learning and communicating is thus introduced in the project and also providing a flexible learning environment (Khan 2007). Synchronous communication involves mainly the use of Skype for the three team meetings and asynchronous written work is mainly done through the wiki by uploading project reports and for working on their surveys. In the final week of the project, students participate in a project evaluation survey. Data from the student evaluations are analysed and changes are made based on the feedback for the next project. In addition, the data is used for research purposes.

Finally, a student report is generated to inform interested stakeholders of the universities about the final outcomes and the content created by the students in the project. This final report allows team leaders to assess the quality of the students' work, but also offers an opportunity to share the collaborative work the students accomplished.

#### 4. Project Outcomes

The project has demonstrated that intercultural awareness and global competencies can be developed through the creative use of information communication technologies across different continents. Irrespective of the diverse and differing backgrounds of the students, we have established that they are able to share experiences, communicate with each other across continents and work together to conduct shared research. Through their participation in the project, students are exposed to different versions of English and different cultural values with regards to time and task management styles. Results from the project demonstrate that Skype is currently among many students the preferred online tool for communicating across continents. Wiki and WhatsApp were highly used by students to communicate with each other. Telephone calls were the least favorite choice of communication across continents. This might perhaps be due to the high costs involved and the difficulty in arranging group calls via traditional telephones. Overall, the project demonstrates that low-cost, stable online-based communication tools are effective in managing international projects. Furthermore, Skype calls supported by video provide excellent opportunities for student and faculty members from different continents to interact with each other without the need to pay for expensive plane tickets. Hence, building rapport and establishing ties as seen as a major challenge (Louhiala-Salminen, L. & Kankaaranta, A. (2011) in global business, can be accomplished by students and faculty members in this project.

#### 5. Students' Experiences

Participating students in all countries reported in the final assessment that the project helped them increase their cultural and global awareness and their ability to communicate and interact with English speakers in different countries. Students came to realize that working and negotiating styles in different countries affected project outcomes. Students also gained a better understanding of why ethical questions about genetically modified organisms (GMO) are perceived differently in different continents. The majority of participating students were between 19 and 23 years old. The project provided an opportunity for the majority of the students to engage in online discussions with international students and learn about the use of wikis. Although students were able to use a wiki, few students were actively involved in correcting their group member's posting on the wiki. This suggests that either the majority of the students uploaded error free work or they lacked confidence in correcting their peers' work. More than 90% of the students expressed high satisfaction with their own level of participation in the project. While willingness to meet project deadlines was high among students, this did not automatically translate to an equally high success rate in meeting deadlines.

Internet facilities and connectivity varied from one country to another with erratic connectivity reported most frequently in Ghana. Despite differences in time zones, particularly in three continents, the students were able to negotiate meeting times that were agreeable to all. The students scheduled their own meetings, drafted their

agenda for such meetings; wrote minutes, made short videos and uploaded them online. They prepared collaborative questionnaires and administered them and analysed data with no assistance from the project leaders. This implies that the students acquired important intercultural negotiating skills and increased their competencies in using information communication tools like Skype, Facebook and wiki. Throughout the project, students honed their research skills as well as their project management skills. For the African countries the biggest technical challenge was not having technical equipment (i.e. headsets) and the slow internet connection. A close analysis of the student comments reveals that all students became consciously aware of difference in communication styles among the participating cultures. This result also coincides with the research studies on intercultural communication that reveal difference in low and high context cultures. According to Hall, high context cultures (i.e. African culture) convey messages with an implied context that is not directly spoken. On the other hand, low context cultures such as Germany and the USA tend to be more direct in their communication (1975). There is also a level of difference within high or low level cultures. The German language is very direct and little is left for the imagination once a message is transmitted. A simple "nein" in German has a direct message for the receiver that something has been declined by simply saying "no". Whereas English native speakers in general, may send a different message to decline something wrapped in indirect message "I am afraid, we will have to talk about it as it seems difficult". There are, of course also differences within the English variations spoken in the World. Both messages are the same, one with an implication and one without. The direct message may be misunderstood as unfriendly or inappropriate if not aware of the cultural differences in the way messages are communicated in low and high context cultures, especially when speakers are not using their own native language to communicate. A low-context listener may perceive the indirect message from a high context sender as a possibly "yes, with some irritations that may arise". These types of cultural differences were noticed by the students and discussed during their reflection sessions in class.

#### 6. Implications of the Project

The project has connected more than 180 students since its inception in the year 2013. The first project connected forty students from Germany and Ghana. In the second phase, seventy students took part in the project. In 2016, Kenya and the USA joined the project and expanded the range of diverse cultural backgrounds. The project has increased cultural awareness and global communication abilities and making graduates become successful future global citizens. As seen in previous collaboration projects, Information Communication Technologies (ICTs) can assist in establishing pedagogical fruitful communication across different continents provided that the autonomous learning is presented in manageable chunks or tasks so that students are able to complete the various tasks successfully. (Brautlacht et al 2017) Students developed international contacts that if nurtured can serve as focal points for information access about entrepreneurial opportunities. Furthermore, there is potential for students who are networked to look beyond the current project and using global insights develop business ventures that transcend national boundaries. (Rauhut 2013) A second implication of the project is adoption of better practice-oriented pedagogy in teaching and by extension faculty members in their respective universities. In recent years online collaboration projects have mainly focused on intertercultural competencies (Chun 2015). However, digital competencies that are direcly linked to specific tasks related to language and communication

strategies need to be included into higher education curricula. This also includes a more differenciated approach on teaching English as a lingua franca and digital literacy (Brautlacht et al 2017). This is likely to improve delivery of various curricula and prepare the graduates for employment.

#### 8. Future Plans

In 2017, the project will continue with all four universities. Coastal Carolina University has established a new course for their participating project students, thus dedicating class time and support during the project. In the future, plans are underway to improve access to internet facilities for students in Ghana and Kenya. Based on the feedback from the evaluations, the students would prefer access to facilities on campus and the use of head-sets and internet set boxes for better connectivity. In addition, the project leaders have committed to publishing a handbook for teaching competency-based courses in Africa by also sharing their experiences in these collaborative teaching projects for faculty interested in collaborating with African universities. Finally, there are plans to encourage other universities to start-up similar projects by offering support in setting-up these exchanges.

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## An Exploratory study of niche market potential of German tree-planting ecotourists to Kenya

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#### Abstract

Climate change is having drastic effects on various areas of the planet, including extreme impacts on weather and rainfall, in various Sub-Saharan East African countries (Hendrix, C. S., & Glaser, S. M. (2007). The willingness (and need) of a niche market to actively improve the damaged ecosystems in small ways is rising. Weaver and Lawton (2007, p 1170) maintain that ecotourism should satisfy three core criteria: "(1) attractions should be predominantly nature-based; (2) visitor interactions with those attractions should be focused on learning or education, and (3) experience and product management should follow principles and practices associated with ecological, socio-cultural and economic sustainability." In this study, the niche market of active German "tree-planters" is to be defined and the potential willingness to travel to, learn from and invest in the ecosystem through tree-planting, specifically in Kenya, is explored.

#### 1. Introduction

"Ecotourism is not a synonym for sustainable tourism" (Goodwin, p.1, 2001). Goodwin a World Tourism Organization expert explains, that the WTO has consistently argued in the past that all forms of tourism, being cultural tourism, nature tourism, mass tourism, business travel and other forms ought to be made sustainable. Hereby, nature tourism may be divided into adventure and sports tourism, passive scenery viewing as well as ecotourism. Goodwin then considers that ecotourism has some linkages with the concept of cultural tourism due to the provided opportunities for interactions with the local communities.

Over the past decades, the meaning and definition of ecotourism itself has been the subject of many debates and discussions. The debates were not only about what ecotourism is, but also about what it is not. Weaver and Lawton (2007, p. 1170) maintain that ecotourism mostly satisfies three main criteria. Namely, "(1) attractions should be predominantly nature-based; (2) visitor interactions with those attractions should be focused on learning or education, and (3) experience and product management should follow principles and practices associated with ecological, socio-cultural and economic sustainability."

Martha Honey, former Director of the International Ecotourism Society and now Co-Founder and Executive Director of the Center for Responsible Travel, considered authentic ecotourism and its relationship to sustainability. Honeys framework for ecotourism is divided into seven components, instead of three. The definition includes the following seven components (pp. 28-31): (1) involves travel to natural destinations; (2) minimizes impact; (3) builds environmental awareness; (4) provides direct financial benefits for conservation; (5) provides financial benefits and empowerment for local people; (6) respects local culture; and (7) supports human rights and democratic movements.

Ross and Wall (1999) on the other hand, outlined five functions of ecotourism; namely (1) protection of natural areas; (2) education; (3) generation of money; (4) quality tourism and (5) local participation. In similar fashion, Donohue and Needham (2006, p. 192) identify six key criteria of ecotourists, being "(1) nature-based; (2) preservation/ conservation; (3) education; (4) sustainability; (5) distribution of benefits; and (6) ethics/ responsibility/ awareness." In contrary, Cater (2001, p. 4166) again reduces the main criteria of ecotourism to three: ecotourism should not only be "green", but it should also be "responsible" and it "must recognize the interests of all stakeholders".

The United Nations World Tourism Organization (UNWTO) defined ecotourism, in a study about The German Ecotourism Market in 2001, as a form of tourism with the following characteristics: "(1) All nature-based forms of tourism in which the main motivation of the tourists is the observation and appreciation of nature as well as the traditional cultures prevailing in natural areas. (2) It contains educational and interpretation features. (3) It is generally, but not exclusively, organised for small groups by specialized and small locally-owned businesses. Foreign operators of varying sizes also organize, operate and/or market ecotourism tours, generally for small groups. (4) It minimizes negative impacts on the natural and socio-cultural environment. (5) It supports the protection of natural areas by: (a) generating economic benefits for host communities, organizations and authorities that are responsible for conserving natural areas; (b) creating jobs and income opportunities for local communities; and (c) increasing awareness both among locals and tourists of the need to conserve natural and cultural assets." For the purpose of this study Weaver and Lawton's three core criteria of what ecotourism is, will be used. Community-Based Ecotourism (CBET) can be subordinated to ecotourism. The International Ecotourism Society defines ecotourism as "responsible travel to natural areas that conserves the environment, sustains the well-being of the local people, and involves interpretation and education" (TIES, 2015). Just like ecotourism, community-based tourism means many different things to different people. In the context of conservation theory and practice, community-based tourism refers more specifically to tourism organizations or activities that involve "local communities, occur on their lands, and are based on their cultural and natural assets and attractions" (Nelson, 2004, p8). It therefore focuses on travel to areas with natural attractions and which contributes to environmental conservation and local livelihoods.

Self-proclaimed ecotourism operators often cover a wide range, when considering them from an environmental perspective. On the one hand there are some, which actively invest in protecting the natural areas or threatened species. On the other hand, there are those, who simply practice some environmental or cost-saving measures,

such as renewable energy or water recycling (Honey, 2002). Community-based tourism implies going beyond benefiting the local communities through employment or by contributing to community projects. It much more means "anything from regular consultations to ensuring that at least some community members participate in tourism-related economic activities, to partial or full community ownership of whole ecotourism enterprises" (Kiss, 2004, p232). The evaluation of the results of the conservation and community development objectives is challenging, due to the wide range of interpretation. Being a project that helps reduce poaching or that creates local employment: every project can either be seen as a success story or a disappointment, depending on what it set out to achieve. If one is following the determined core criteria of both, ecotourism and CBET, there is no such thing as right or wrong, as long as the set goals are achieved.

#### 2. German Ecotourists

In 2016 alone, a total of 58 million tourists travelled to the continent of Africa, making up a 5% share of all tourists in 2016. Coming fourth in the global ranking after Europe, Asia and the Pacific, Americas and just 4 million in front of the Middle East. A total 1,235 million tourists travelled across the globe in 2016. Compared to the world's top tourism spenders in 2016, Germany was ranked in third place with a total spending of US\$ 81 billion, even before the UK with US\$ 64 billion (UNWTO 2016, p 12-13).

The impact and importance of ecotourism or more so sustainable tourism in Germany is supported by a number of government-funded studies. At the request of the German Bundestag's Committee on Tourism, the federal competition on the different possible sustainable tourism regions in the years 2012 and 2013 was held. The aim was to provide incentives for sustainable tourism in Germany and to support rural regions. The competition focused not only on fostering sustainable tourism as a means of strengthening the economies of structurally weak areas, but also at the same time conserving biological diversity and other natural capital and supporting cultural heritage, resource and energy efficiency (DTV,2016).

Two years later, the German report "Reiseanalyse 2014", conducted by the German "Forschungsgemeinschaft Urlaub und Reisen e.V." and government-funded by the German Federal Environment Ministry, was published. The study on the domestic demand for sustainable tourism has shown that while many Germans wish to travel in an ecologically and socially sustainable way, they frequently find this impossible in practice due to insufficient availability. Sustainable products and services on offer are few and far between and access to reliable information is poor. Moreover, the study identified, that in 2013 one million German travellers stated, that sustainability was the main core criteria for their chosen destination. A total of six million travellers stated that sustainability was one of the criteria for their travel-planning. Looking at the different dimensions of sustainability, of which ecotourism can be part of, 22 million German travellers look for an ecologically flawless holiday experience, whereas 26 million Germans mainly seek social compatibility. Asked about the future, 36 million German travellers stated that they would like to book a sustainable trip.

On the questions about when they would plan a sustainable holiday, Germans between the age of 14 and 70 indicated the following: (1) 55% would travel sustainably if there would be no extra costs, compared to a "normal" holiday. (2) 49% would travel sustainably if their holiday requests would still be fully satisfied. (3) 43% would travel sustainably if they had more information about sustainable tourism. (4) 32% would travel sustainably

if there were more offers to choose from. (5) 20% would travel sustainably if their travel companion would want it as well. On the whole, the study makes up good assumptions about the sustainable travel habits.

#### 3. Tree-planting

Ecology and the protection of the environment are important topics in Germany. There are several German organizations, whose core capabilities refer to ecological topics. All those organizations are trying to establish a general awareness of what everybody can do to protect our environment. Even for the German government environmental protection is a substantial topic (BMUB, 2017). 67% of the German population could imagine paying for services, which reduce the CO<sub>2</sub> emissions. 11% of the German population have already used offers connected with costs, such as tree-planting (Statista, 2017). Subsequently, it is not surprising that there are a lot of associations and organizations such as Trees of Life, Greenpeace and the World Wildlife Fund, whose main task is tree-planting with the aim of reducing the effects of climate change.

The United Nations Environment Program (UNEP) initiated the pilot project Billion Tree campaign in November 2006.

In 2007 the nine-year-old German pupil Felix Finkbeiner founded the student initiative "Plant-for-the-Planet Foundation", with the aim of kids reducing the CO<sub>2</sub> emissions whereas adults where just talking about it. In March 2007, the first tree of the Plant-for-the-Planet Foundation was planted in Starnberg, Germany. In November 2007, the billionth tree had already been planted in Ethiopia. Just a year later, in May 2008, the campaign planted its two billionth tree, resulting in the UNEP changing its tree-planting goal to a total of seven billion trees worldwide. This goal was achieved in September 2009. This meant that there was practically a tree planted for every person on earth. In February, the children opened the International Year of Forests at the UN in New York. Nine months later in November, a total of 12 billion trees had been planted across the globe by the Plant-for-the-Planet Foundation. Just one month later in December, the initiative was handed over to the children and youth of Plant-for-the-Planet at the 17th meeting of the Conference of the Parties (COP17), the 2011 United Nations Climate Change Conference, in Durban South Africa. At the Youth Summit in 2015 in Tutzing, Germany called out for the biggest afforestation project so far. As of April 2016, more than 14,2 billion trees have been planted worldwide by this organization (Plant-for-the-Planet Foundation, 2017). Since 2017 Felix Finkbeiner and the current German Federal Minister for Development Dr. Gerd Müller are setting out calls for planting trees and participating in competitions among schools.

Besides the Billion Tree Campaign, which is funded by the UNEP, there are also plenty of interesting private companies around Germany, who care about sustainable production of their products and environmental protection. A big German company which has been active in the field of protecting the environment is Faber-Castell. It is one of the oldest industrial companies and family-owned businesses in the world. Their success began in 1769 and continues until nowadays. According to Faber-Castells sustainability report from 2011, a third of the earths landmass is covered by forest. The forests are home to around two thirds of the world's wildlife and vegetation. Unfortunately, every year an area bigger than Germany, around 13 million hectares, are still being destroyed. This can be compared to the deforestation of about 35 football fields every minute. For Faber-Castell, wood is the most important resource, being the world's biggest single producer of wood-cased pencils, which

needs up to 150,000 tonnes of wood every year. One of the company's biggest future challenges is to ensure a secure and planet friendly wood supply. The German company has shown over the past three decades, that their unique wood supply program in south-eastern Brazil has been more that successful. In the course of time, millions of seedlings have been planted on approximately 10,000 hectares, resulting in the growth of 20 cubic meters of wood every hour. In addition to the company's own wood supply, about 2,700 hectares are left wild and untouched to protect the ecosystems and biodiversity. (Faber-Castell, 2011)

Besides these two named German tree-planting initiatives, many more have been established all around the world. Several different organizations plant trees worldwide. Developing countries make quite extensive efforts to preserve the tree wildlife of their country.

Mukuna (2016) argues that it is a widely recognized fact, "that climate change poses significant serious threats to sustained economic growth and agricultural development, poverty reduction, food security and political stability globally". Especially in Africa, where two-thirds of all available land is either categorized as desert or dry land, are these challenges more marked (Mukuna, 2016). The World Bank's (2013) report Turn down the Heat: Climate Extremes, Regional Impacts, and the Case for Resilience, which focused on sub-Saharan Africa among three world regions, also confirmed that Africa faces huge financial challenges in adaption to climate change. The AMCEN (African Ministerial Conference on the Environment), UNEP and Climate Analytics (2013) state, that the adaption challenge for Africa will be much larger, if the emission gap is not closed and mitigation beyond 2020 falls short. Moreover they imply, that this will result in a 4°C warmer world at the end of the century. The continent's environment ministers met at the African Ministerial Conference on the Environment in Libreville, Gabon in June 2017. They collaboratively passed the Libreville Declaration, in which they committed to reinvest a larger proportion of revenue into improving Africa's natural capital, including land and soils, forests, fisheries, water and biomass fuels, on which the continent's development depends. In a set of four decisions, Africa's environment ministers tackled the continent's major environmental issues, such as climate change, healthy oceans, pollution, land degradation and drought, illegal trade in wildlife and renewable energy (UNEP, 2017). In terms of desertification, land degradation and drought, the governments committed to strengthen sustainable land management, particularly to address land tenure issues, and the empowerment of women and youth. The ministers agreed to speak at the 13th Conference of Parties to the UN Convention to combat desertification, especially on regional issues, such as enhancing drought resilience and the proposed land degradation neutrality fund (UNEP, 2017). Mully Children's Family (MCF) for example, a Christian-based non-profit making charitable organization that caters for children who are orphaned, abandoned, abused, desperate and neglected regardless of their religion, sex, color and tribe has its origin in the Machakos County, Kenya. It was founded by Dr. Charles Mulli and his wife Esther in 1989 and currently has over 2,500 children in Kenya. Some of the MCF main projects include: Rehabilitation, Education and Training, Counseling and Mentorship, Outreach Programs, Agriculture and Sustainability, Environmental Development, Climate Change and Mitigation projects. MCF also has its own environmental reclamation and tree-planting campaign. The two major centers in Yatta and Ndalani in Machakos County, located in Eastern Kenya, are characterized by high temperatures, low average rainfall and perennial droughts (MCF, 2016, p.23). All of the previously stated have affected the livelihoods of inhabitants in the past. MCF is committed to address the harsh climatic conditions, through reclamation of MFC projects and tree-planting campaigns, which

threaten the survival of the inhabitants. Water conservation projects in MCF Ndalani and MCF Yatta were sustained and continued to support irrigation farming and related domestic use. A successful upgrade of the irrigation system was accomplished with a high capacity pump and a ping system, as well as an irrigation reservoir dam. MCF Ndalani commissioned the first Irrigation Reservoir Dam, constructed in 2016. Increased production of tree seedlings at the MCF Yatta propagation and production unit, facilitated increased tree-planting within MCF and at a community level. The nursery produces around one million seedlings per year to enable the realization of the tree-planting campaigns. Tree-planting activities and sustained awareness on environmental conservation have continued as a strategy to transform MCF project locations and neighboring communities (MCF, 2016, p.24). Those projects have created an oasis within this arid land. (MCF, 2017)

#### 4. Methodology:

This study is a case study of leveraging the efforts of the Mully Children's Family (MCF) **environmental reclamation and tree-planting campaigns and the** United Nation Environment Program, short UNEP "Plant-forthe-Planet – Billion Tree Campaign". This study is an exploratory study of the niche market potential of German tourists, willing to spend time tree-planting as "ecotourists" in the semi-arid regions of Kenya, in cooperation with a private Kenyan initiative (MCF), as part of their holiday in Kenya. As such, knowledge generated is interpretive and contextual, and is not meant to be generalizable, but may offer a basis of comparison for other case studies and further studies conducted in the future. MCF was selected as a base for research, because it has been identified as successful in the ecotourism tree-planting task among ecotourism projects in Kenya. An online survey, representing ecological active Germans of the largest German ecological associations, is analyzed, to assess the marketability and potential of German tree-planting ecotourists in Kenya. The online survey consisted of a total of 10 questions and was conducted over a period of ten consecutive days. It was spread through e-mail, social media, partner universities and personal contacts, and was thereby able to reach a total of 170 eligible participants.

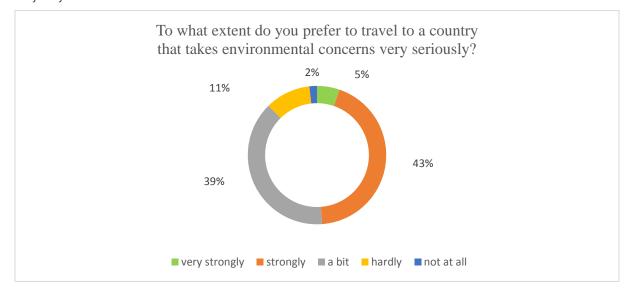
#### 5. Limitations

There are characteristics of design or methodology that impacted or influenced the interpretation of the findings from the research. The main limitations are expressed as follows. 170 participants are not a representative number for a survey, and might not represent the majority of the German population. The authors shared the survey among environmental protection organizations and Kenya related communities on social media, as well as family members and friends. The authors have not systematically examined which particular group of people is represented by the named organizations and communities, which limited the ability to make statements about the socio-demographic background of the participants. The survey can be seen as a pretest to discover, whether there is enough potential to widen this area of research.

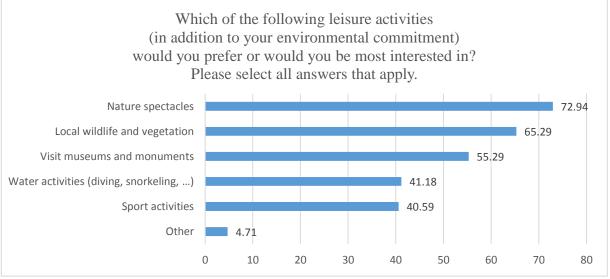
#### 6. Findings

The first question of the survey was meant to find out, to what extend the participants preferred to travel to a country, that takes environmental concerns very seriously. The results showed clearly, that 43.53%, a total of 74

persons, strongly cared about environmental concerns. A total of 38.82%, a number of 66 persons, stated that they only cared a bit.



Furthermore, the survey was set to find out, which possible leisure activities the participants would select in addition to their environmental commitment. They were able to choose all applying answers from a list of suggestions and also had the possibility to give individual answers. In addition to the suggested answering possibilities, some of the participants stated in their individual answers, that they were interested in meeting friends, enjoying nice local dishes, going on a motorcycle tour, sailing and interact with the local culture and their

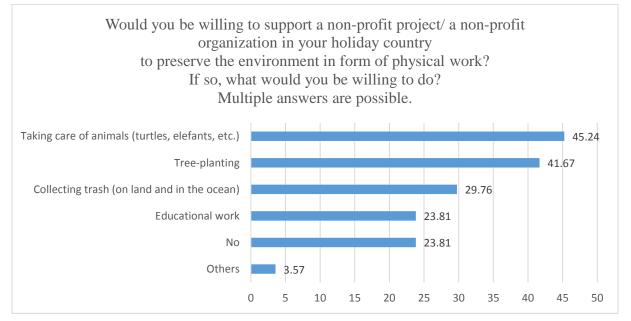


inhabitants.

The third question wanted to find out, whether the participants are actively supporting non-profit organizations, which deal with the preservation of the ecosystem, the wildlife or the vegetation. More than half of the

participants chose no as their answer. However, almost 60 persons specified that they supported NPOs with monetary donations.

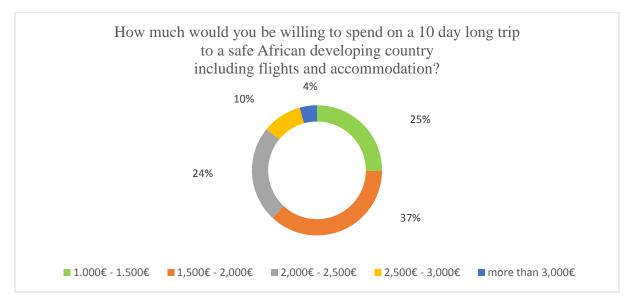
The next question of the survey, was closely linked to the previous one, but wanted to find out, what the travelers would be willing to do in their chosen holiday destination and country. It stood out, that most of the questioned participants would be interested in taking care of animals in need, such as turtles, elephants and other endangered species, closely followed by the interest in planting trees.



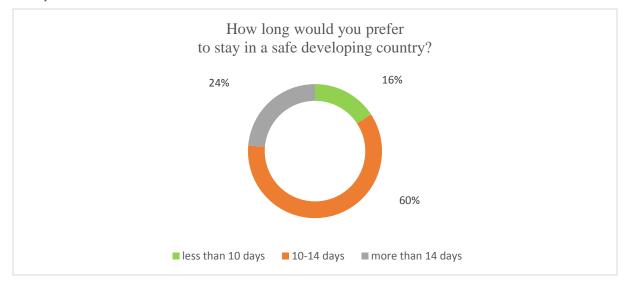
Questioned about the importance of the educational aspect during their holiday, almost 53%, on a scale from 1 to 4, 1 being very important and 4 being of no importance to them, have chosen 2 as their answer. All of the suggested answer possibilities, to the question of how they would be willing to educate themselves about their holiday destination, were rated very highly. More than 85% were keen on visiting sights and

monuments as well as standing in contact with the locals, closely followed by informing themselves about the nature and museums. A handfull of participants stated that they are highly interested in learning the local language. Additionally, it was mentioned that there was interest in acquiring a local guidebook about the vegetation and wildlife.

The aim of the final part of the survey was to find out more about the possible German ecotourists. The seventh question dealt with the expenditure of an average ten-day long trip to a safe African developing country, including flights and accommodation. It was not surprising that most of the participants (36.81%) would be willing to spend 1,500-2,000€.



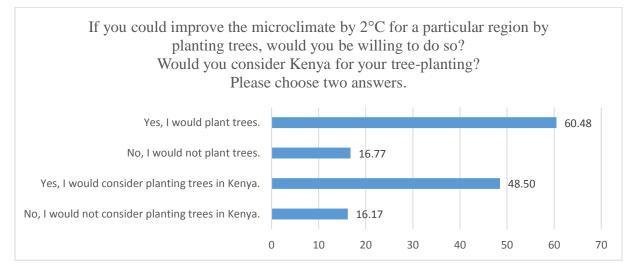
Questioned about their preferred duration of stay 100 out of 165 questioned participants would stay about ten to 14 days.



During their stay, most of the participants (36.14%) would chose a four-star higher middle range hotel as their accommodation, followed by Bed and Breakfast with 25.90% and three-star middle range hotels with 21.69%. All the results were based on the German standards for accommodation. Considering all the results, it can be noticed that there is a potential for all the suggested types of accommodation, catering for all needs of potential German ecotourists.



The tenth and final question should reveal the original aim of the online survey. It should find out, if the participants were willing to plant trees, especially in Kenya, if they could change the microclimate by 2°C for the better. The results positively showed, that 60.48% were willing to plant a tree to support the preservation of the ecosystem. Furthermore, the results showed that almost 50% were considering planting trees in Kenya to support the Kenyan ecosystem.



#### 7. Conclusion

The authors identified the potential of German ecotourist tree-planters for a Kenyan project and potential suggestions of further sustainable tourism, which impacts the environment positively. The online survey was evaluated and cross-checked with Weaver and Lawton's (2007, p. 1170) three core criteria, being "(1) attractions should be predominantly nature-based; (2) visitor interactions with those attractions should be focused on learning or education, and (3) experience and product management should follow principles and practices associated with ecological, socio-cultural and economic sustainability." Referring to the first core criteria of Weaver and Lawton, the results of the conducted survey proved, that German ecotourists prefer destinations with predominantly nature-based attractions, such as watching nature spectacles, local wildlife and vegetation, as well as visiting monuments and ruins and carrying out water activities, like diving, snorkeling and swimming. The results, stated by the participants of the survey, such as taking care of endangered species like turtles and elephants, tree-planting, collecting trash on land and in the ocean, educational work, interacting with the local culture and some other individual answers, confirmed the second core criteria. It is much easier to fully understand the whole meaning of Weaver and Lawton's last core criteria, once one experienced a working ecotourism concept, implemented in the local everyday life. As mentioned before, Mully Children's Family in Machakos County is a pioneer in this field. In 2017, they built their own guesthouse, catering for the ecotourists, that visit them. They not only provide accommodation for their visitors, but also supply them with local produces. Most of these, such as green beans, corn and sugar supplements are grown on their own land and harvested, processed and distributed by local workforce. The authors identify MCF as a well-working ecological organization interested in sharing their knowledge, across visitors and the local community likewise. By integrating the locals and enabling them to interact with their guests, they show a great interest in bringing different cultures together and proving once more that all people, regardless of color, religion, appearance and sex, have the same impact on the local wellbeing of a community. All of MCFs earnings are used for the well-being and development of the local families, being the best possible way of behaving in an economic and sustainable manner.

The pretest, in form of the online survey carried out, confirms the literature mentioned at the beginning, that Germans are interested in eco-touristic activities. Although not representative, the findings suggest, that there would be interest in activities to support the environment, specifically in Kenya. Almost half of the respondents would even consider planting trees in Kenya, as part of their travel experience. Slightly more respondents showed they would be interested in care for endangered animals. The study would suggest that there is a market for tourists willing to plant trees in Kenya, and an even larger market if combined with animal protection.

#### 8. Recommendation

To follow-up on this pretest survey, a representative study on the same topic should be carried out. This study should not only go into greater depth, regarding the exact eco-activities that could be carried out by German ecotourists, but also include a more in-depth study of the needs of the German ecotourist. Furthermore, a market study of possible suppliers and partners in Kenya need to be found, who could meet the German ecotourist expectations, concerning opportunities to plant trees and assist in saving wildlife in an organized manner, as well as provide accommodations that meet the German ecotourism expectations.

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### The Graduate Enterprise Academy's Entrepreneurial Promotion Program

#### Prof. Mwangi Peter Wanderi (PhD.)

Mount Kenya University

Unemployment in Africa including in countries such as Kenya, Uganda, South Africa, Ghana, and so on has risen to very high levels of great concern to everyone. This situation was depicted by a Kenyan cartoonist in a national newspaper as early as in 2011 in a very graphical way. The cartoonist depicted the unemployment scenario in Kenya with a graduate holding his curriculum vitae by one hand while begging on a street using a bowl next to a beggar who is chasing the begging graduate away warning him loudly saying, "Don't bring competition here". Somewhere at the far end of the street, a little mouse is shouting loudly cautioning that there are no jobs in town "hakuna kazi". This is a desperate situation which is also recorded to have grown to a point in Ghana where the unemployed graduates have formed the association of unemployed graduates of Ghana. Thus, time has come when every institution must rise and contribute towards job creation as well as a mindset change among the graduates to be job creators rather than being job seekers.



A cartoonist's expression of the run-away employment in Kenya that has not spared the graduates (Source: Daily Nation, Thursday 2- June 2011).

Given the above realization by the Founder of MKU, Prof. Simon Gicharu, who established the Graduate Enterprise Academy (GEA) in 2013 to instill and nurture the entrepreneurial spirit amongst alumni of Mount Kenya University (MKU). According to Professor Gicharu, his ultimate intention is to hold every GEA benefiaciary by his / her had to ensure they do not play a try-and-error game in their businesses. The first admission of MKU alumni who had viable business ideas was done in 2013 and were commissioned in 2014. These were 9 young men and women whose businesses are currently running throughout the country.



A photo of GEA Commissioning in 2014;

Each of the 9 GEA 2014 beneficiaries were provided with a total of Ksh 800,000 (USD 8,000) as seed capital by MKU after their training. This was provided in 4 installments of USD 2,000 after every three months depending on individual business performance.

The second admission of GEA trainees took place in April 2016 and the 14 trainees who were also alumni of MKU were commissioned in April 2017. The one year training program involved a well-integrated mix of 3 week-ends boot camps and unlimited digital networking.

"If I had mentors all steps of the way I would have built MKU much faster and with less pitfalls .....I want GEA to be the bridge to entrepreneurial success for the youth of Africa". GEA Patron, Prof. Dr. S.



#### Gicharu

GEA Patron (and sponsor), Prof. Dr. S. Gicharu displaying his Monaco Hall of Fame (France) induction award in 2015 after he was inducted due to his entrepreneurial capacity.



A photograph showing GEA Cohort 2 Commissioning Ceremony (seated on the front row are members of some MKU top Management while standing at the back are the GEA trainers and GEA Cohort 2 beneficiaries).

The 24 GEA trainees at MKU (from both Cohort 1 and Cohort 2) are integrated into a sound and robust digital networking and mentoring process which shall go on indefinitely into the future for as long as one wishes to

remain engaged. Their mentoring includes receiving online motivational materials, online guests, online group peering sessions and physical involvement in relevant projects from time to time when situation avails itself. Additionally, the GEA beneficiaries go through a dedicated sessions of monitoring and evaluation at least once every year and the results of the M&E are used as a vital input in advising the GEA advisory team on areas that require improvement.

Here attached are presentations on two cases of successful Cohort One businesses whose details are presented herein. These are, namely, STEJOS Tours and Travels Limited as well as the Kipacha Technologies that offer IT services.

#### Kipacha Technologies



### **Kipacha Technologies**

Kipacha Technologies is a technology company which has a passion for innovation and is unafraid to invest in web and mobile technology. Our company develops software's, websites, E –learning solutions and offers ICT consultancy to help organizations like learning institutions and Small and Medium sized companies(SME's), connect to the internet to market their products and services online through developing customized affordable websites/mobile sites using the latest technologies.

Kipacha technology has concentrated on developing websites that promotes the institutions and small businesses to have a better publicity and easier marketing. The website are developed and hosted by Kipacha Technologies at affordable prices.

We have developed software's like ERP, MIS, and HRM to enable company's management work in a digital easier environment's.

The company has been in existence since 2012. We bring together a unique, multidisciplinary team of professionals to provide best services for our clients" in the various fields of Information Technology.

The company on 2015 diversified into new business that would see the company generate more income on a daily basis unlike the previous contract based. We agreed and financed a new business venture "The Crux Gaming Lounge and Cyber" which was registered under the company act of Kenya. Currently we have two Branches in Limuru Town and Thika Town.

The Crux Gaming Lounge and Cyber offer the following services:

- i. Printing
- ii. Cyber services: DL renewal, Typesetting, Scanning, Photocopy etc
- iii. WIFI Hotspot for the youth.
- iv. Gaming: Mission games, Sports games, Action Games, Racing using gaming console PS4.

Kipacha Technologies started in 2012 when our Director Godffrey Ngotho finished His Master's Degree at the Catholic University of Milan. It existed as a small startup with no physical address. When MKU in 2013 advertised

for the applications for GEA, he applied and managed a position at the academy. GEA trained nine of the first cohort and in June 2014 he graduated and was granted a startup capital of \$6,000. This enabled Godffrey to expand the company and acquire assets to set up a physical location in Limuru town. The push and the elp from GEA were magnanimous. The company saw growth in the client base and the training was now being actualized in real life.

We established the offices in Limuru town due to its central location and easy access to the clients who then were in Nairobi, Westlands and Naivasha. There was a niche in Limuru since we were to be the first ICT Company and it was a ripe market for our services.

The company has grown its assets and impact to the society since its establishment in 2012. We have developed over thirty major websites; developed software's for International companies and consulted in big very major established forums. The start of The Crux Gaming Lounge and Cyber is an establishment that has brought so many youths and once in a while we offer them free forums, seminars and Webinars that improve their passion for technology.

Some of our clients are:

- Nairobi City Water and Sewerage Company
- □ African Water Association (AfWA)
- Nairobi City Council
- Karibu Paradise
- ITube Kenya
- Innovation eye Centre
- Kisii Eye Centre
- Mater Hospital

We are forever grateful to GEA and Mount Kenya University for the opportunity. It was them who opened our eyes and sharpened our skills to be where we are today. The training was very vigorous and those trips every Friday to meet a mentor is my greatest gift from GEA. Asante.

We have been facing problems expanding The Crux to other Counties especially the main towns. Devolved governments have given us challenges since each county has different regulations that affect the establishment. We have been working on a formula and once we work it out fully we shall manage to work with the counties. Finances are a challenge too since to setup each Crux we need about \$20,000 which we have to raise slowly through loans and savings. If we had the money power we would set the branches in most counties at once.



Experience, Relive, Remember

# STEJOS TOURS AND

# TRAVEL LIMITED





# INTRODUCTION

Stejos is a tour and travel company specializing in intimate and unforgettable tours with a passion for tourism and an urge to positively impact the society. For the past three years we have taken up the challenge of demystifying the tourism industry and we have so far been successful in creating a lifetime of experiences and memories for all our clients.

- We are one- stop source for travel advice you can trust, travel news you can use, and inspiration to get you started on or just dreaming about your next trip. Stejos Tours has been venturing into new geographic arena and unexploited destinations, while equipping you with the essential know how's for getting you there with the least amount of hassle, knowledge to help you maximize every cent you spend and making utmost effort to make the best deal available to its clients.
- We pride ourselves on working closely with our clients to plan events that they are proud to be hosting. Our customized services and packages are based on each clients needs hence no event is the same as the other. Through this we have had referrals from our clients with a client retention of over 60%.

We plan events of all nature with a special focus on destination events.



## What exactly do we do?

Stejos brings you in comfort to the spirit of adventure.

Kenya has the most spectacular settings, rich in dramatic scenery and natural beauty, Our Safari packages ensure that you travel through stunning landscapes, challenge yourself with adrenalin- fueled adventures at Mount Kenya, Mt longonot ,TableMountain; to the wild expanses of the Masai Mara and Amboseli to witness the drama of the bush unfolding around you and sun-bathe as you relax at the beach in the

coastal waters

- We work with you to create a tailor-made trip to fit the interests of your group, booking whatever combination of travel services to fit your plans and budget. Including this
  - A relaxing vacation with elegant natural scenery.
  - Enjoy the quiet countryside life with romantic aromas.
  - Exciting bicycle ride on the major kenya national park i.e hellsgate.
  - Appreciating treasures of the most popular towns in kenya.
  - Teambuilding/Conferencing/Roadtrips/camping in the wild.
  - The African safari experience
  - Offer Transport
  - Hotel Booking/Ticketing

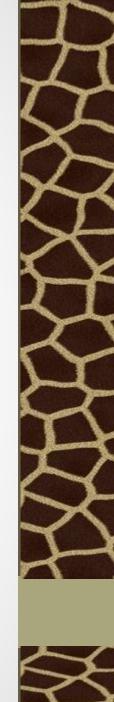
# Why We Do What We Do

- **Passion**: We are passionate about travel hence our Core objective is to grow and sell brand Kenya through the 'Tembea Kenya Initiative'. This campaign sensitizes Kenyan citizens to support domestic tourism.
- **Opportunity** :We tap into the growing youth middle class that knows little about what the country has to offer in terms of destinations and activities.
- Fitness: We realize the importance of fitness hence we incorporate zumba in most of our events. We have a professional zumba fitness instructor which makes us stand out with how we carry out the zumba activities
- We are a movement with a purpose: We focus on leaving an impact in every society that we visit, leaving the place better than we found it this can generate into economic growth.
- **Oneness**: Travelling brings people from all walks of life and this enhances cohesion and peace



## **OUR PORTFOLIO**

Our portfolio show cases some of the events that we have undertaken the past 3 years. We have treated our clients to amazing experiences leaving them yearning for more.



### Portfolio Cont...

### All White Beach Zumba at Chale Island in Diani

Chale Island, a magical fusion of nature and comfort with elegance. Our clients were the first ever big local group of domestic tourists to be hosted at this private island. To top it all off we had the first ever beach zumba on the island that has three cascading pools with the third pool touching the indian ocean



# Hype Alive Portfolio Cont:

#### A visit to Hells gate National Park and first inaugurial Aqua Zumba at Olkaria hot spa

Clients were treated to a detailed tour of the hells gate national park visiting the devils kitchen that has hot water springs and the devil bedroom which is a gorge that is designed like a standard bedroom. This visit was then followed with the first ever aqua zumba to be held at the Olkaria hot spa . Where clients got to relax and take part in an intense aqua zumba class





Muthaiga Golf Club End of Year Party





Our Clients enjoying our services.



## Why Does It Matter

- Kenya is one of the heavens in the world. The vast variety of flora, fauna and landscapes has attracted people form all over the world. This makes tourisim a major backbone to the economy.
- Studies have shown that one of the major factors snail pacing uptake of domestic tourism in Kenya is lack of awareness of the existing tourist facilities. Studies have also shown, that contrary to dominant opinion, tourism facilities in Kenya are many and affordable to Kenyans. We exist to bridge the gap between Kenya's undiscovered gems and Kenyans keen on exploring these gems but have limited info about them. We just don't tell you about it, we take you there and let you be one with nature.



## HIDDEN GEMS IN KENYA

### Some of the destinations not known to many:

- Chale Island in Diani
- Nthenge Njeru falls in Embu
- Olkaria Spa in Naivasha
- Eliye Springs in Turkana
- Elephant Maternity in Laikipia and Gaketha in Tharaka Nithi.
- Ngare Ndare Forest in Mt Kenya











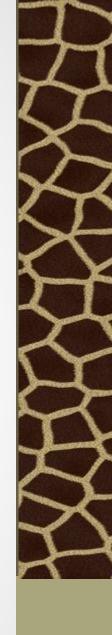
## How did i start the company?

In my 2<sup>nd</sup> year(2012) in Campus, I needed something to distract me from my programming career , being a great lover of life, nature, with my travel and exploratory character I embarked on a travel project, I had a quite big list of places(my dream travel itinerary) I wanted to visit, so I started planning events for my friends in campus, I didn't have a vehicle to facilitate my transport so by bringing my friends together the cost would go down. Fast forward to 2013 I was broke and I needed money to facilitate my travels since my family was already complaining that am spending a lot of cash on my travels, so my mum told me to rely on my allowances.So I really needed a plan B.I shared the idea of starting a business to get cash to facilitate our travels to my friend who was at Kenyatta University, at that point I knew we were good to go since I used to do all the dirty work when planning those events, shop around for transport, meals, guides etc she liked the idea and she proposed we use our names as the Business name, thats why the name (Stejos Tours and Travel)Stellamaris/Jossy.

All along no one could point out what we were upto,our idea was we plan this events and be part of them without using our allowances we were not interested in profit making. Later we realized this was a business opportunity since we had so many young people willing to join our events....so we launched domestic packages to undiscovered tourist destinations targeting the youth,who have traditionally been shunned by the industry, we set out to market the country through low cost packages to entice the young people.Kenyans were not keen on exploring their country but that is fast changing. When MKU Enterprise Academy opportunity came, whose motto is "transforming job seekers to job creators" with the ultimate aim of aiding the Kenyan youth participate in job and wealth creation through nurturing innovative business ideas as well as commercialization of innovations to address socio-economic challenges of our society. I pounced on it and was among the first 9 Apprentice.

With the training in the MKU Enterprise Academy coming in at the right time, i changed my ways of operation. By that time my partner choose to take a different career path so we parted ways.

 The company is dully registered under company act(Cap486), And am now making the Kenyan dream true by giving livelihoods to young people! By creating employment.
 We are Located at Kenya Cinema Plaza, Moi Avenue 5<sup>th</sup> floor Suite G-1



### **SUCCESS STORIES**

- We have managed to handle over 6,000 clients locally since inception.
- We have managed to plan and organize trips for 546 clients to Tanzania, 70 clients to Rwanda, 60 clients to Dubai just to mention a few.
- Our largest group of client was 120 pax to Mombasa.
- We have managed to handle over 20 team buildings and travel Logistics for reputable companies i.e Faulu Bank, Kenya National highway Authority, Muthaiga Country Club, Fida Kenya, Nithi Water and Sanitation, Jubilee Insurance, I Choose Life Africa among others
- We were recognized by Kenya Tourism Board for exemplary work in Marketing Kenya this Year.
- We have created employment to 5 young Kenyans ,and indirectly created employment to over 30 drivers and tour guides who handle our clients

# What are the challenges you have faced so far?

- Stiff competition from established players in the industry.
- A limited financial base compared to the major players in the industry.
- Lack of a reputation in comparison to our competitors.

## IMPACT OF GEA

The 600,000 funding helped me setup the company that includes having a physical location and the office setup.

- The Mentors I was priviledged to meet gave me an oversight of what to expect in the business world.
- The programme prepared me wholly to face the world that is with the help of the trainers my business plan was ready when I was leaving the incubation, I had a better view of how best to run a company, was aware of the expectations and had a rough idea of the challenges I might face.



### FUTURE PLANS

On progress, we are broadening our coverage by expanding into additional markets. One of the main service we aim at providing; is to become a destination management company that brings alive the magnificence of this country to the traveller. This will be done by co-coordinating the traveler's entire experience from hotel bookings, safaris and tours, greeting and porter services and to tour packages and incentives. However in doing so we will strive to ensure that it is compatible with the existing products and company personnel. As time progresses the intention will to provide a world tour package covering the whole world.



#### LIST OF CONTRIBUTORS

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**Ebenezer Boahene Annoh** is an Entrepreneur and a business consultant in the Agribusiness Industry and Landscaping. Currently, he owns and manages Greepec Consult and Honeydew Farms Company Limited. He is a 27year old graduate currently pursuing a Master's of Arts Program in Ministry. He has over 3years experience in Business developments, youth mentorship, communication skills, sales and marketing in the private sector. My vision is to develop a society where businesses are empowered, skills developed and innovations promoted.

Kofi Ashiboe-Mensah holds an MSc (Math) in 2001, a BSc. (Hons) Math and Dip. (Ed) from Ghana, a Diploma (Sales Management and Marketing) from UK in 1994, a Postgraduate Dip. (Marketing) from CIM Ghana in 2004 and a Certificate in Project Management in 2011.

I undertook professional courses in Management, Research and Data Management & Analysis, Economic, Poverty Reduction & Provision of Infrastructure Services, Performance Management & Appraisal System, Strategic Management, Marketing Management & Customer Care, Programme Planning, Teaching Methodology, Problem Based Learning, Educational Leadership & Management, Strategic Communication, Monitoring & Evaluation, Entrepreneurship and Internal Quality Assurance Development. I attended three research conferences and presented papers at two of these in Ghana. As a Mathematics teacher, I also organized and hosted academic and professional workshops at institutional and national levels

and presented papers on Academic Accreditation, Classroom Management, and Institutional Effectiveness & Quality Assurance in higher education. **Professor Z.B Awino** is a seasoned strategy and Value Chain analysis scholar at the department of business

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**Dr Klaus Deimel** studied Business Administration at the University of Münster, Germany. Subsequently he completed his doctoral studies in the field of Marketing at Saarland University, Saarbrücken and the University of Essen, where he earned his PhD. After completing his doctorate, Dr Deimel worked for 10 years with RAG Aktiengesellschaft, Essen, a multinational diversified mining company. He has served in various positions, most recently as a general manager of an affiliate medium sized company. In 1999 Dr Deimel was appointed as a Professor of Managerial Accounting at Bonn-Rhein-Sieg University of Applied Sciences. In 2011 he was elected both as Vice Dean and Dean of the Department of Management Sciences at BRS University. Since 2014 he has served as Managing Director of the Center of Entrepreneurship, Innovation and Medium Sized Companies (CENTIM) at his university. His favorite fields of research are management accounting, value based management and strategic management issues in medium-sized companies. He has published several books as well as articles in highly regarded scientific journals

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**Professor Gideon Maas** is the Director of the International Centre for Transformational Entrepreneurship at Coventry University. Gideon has broad international business and academic experiences in various countries. Within the academic environment Gideon has created various entrepreneurship centres at different universities over the past years, developed and implemented undergraduate and post-graduate modules and programmes focusing specifically on enterprise and entrepreneurship. Recently Gideon has created the African Institute for Transformational Entrepreneurship to assist African countries in supporting sustainable socio-economic growth. Gideon's research focus and experiences are in entrepreneurship, open innovation, growth strategies, entrepreneurial universities, implementation of entrepreneurial systems and family businesses. His research activities are industry and academic related and has published various books and articles in the public domain.

James Mushori is a professional project manager with nine (9) years experience in community development programs: conservation through agribusiness activities, peace building, HIV&AIDS, knowledge management, community mobilization, capacity building and policy formulation and implementation; seven (7) of which in monitoring and evaluation of donor-funded projects and consultancy. He is a registered member of Kenya association of project managers (KAPM).Currently, he's pursuing PhD in Project Planning and Management (Monitoring and Evalution Option) at the University of Nairobi (UoN). He holds M.A. in Project Planning and management (UoN) and Bsc. in Community Development (Egerton University). Mr. Mushori is trained in Environmental Impact Assessment/Audit (EIA), Geographic Information Systems (GIS) and data analysis (SPSS). He is currently monitoring and evaluating eight Southern African countries for global funded project, KP REACH. James can also work in a diverse workforce without discrimination; in short he embraces diversity for more knowledge sharing.

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Questions (3<sup>rd</sup> edition 2009). His teaching and research is focused on Ancient Greek Philosophy (Plato), Virtue Ethics as well as philosophical pedagogy.

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**Prof. Mwangi Peter Wanderi**, an Associate Professor, Mount Kenya University, Kenya, has close to 30 years of University-based teaching, research and outreach. In 2011, working under the Vice Chancellor, Kenyatta University, he established the Chandaria Business Innovation and Incubation Centre. He initiated and facilitated very successfully the introduction of the Student Training on Entrepreneurial Promotion (STEP) programme in Kenya in 2012 in partnership with Leuphana University (Germany), Kenya National Commission for UNESCO, and BASF (Kenya). In 2014, he instrumentally contributed to the introduction of STEP to youth's start-ups in Kiambu County, Kenya, outside the university with the support of the UNESCO East African regional office, Nairobi, Kenya. He established and sustains numerous competitive international and local projects through partnerships. He has published widely and has a deep passion for entrepreneurial promotion among the youth in Africa; has participated in a number of international innovation and entrepreneurship conferences / workshops as well as innovatentrepreneurship judging panels. (email contact: pwanderi@mku.ac.ke and peterwanderi2012@gmail.com )



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