

Impact of entrepreneurship training on goal setting competency of an entrepreneur

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Abstract

This study aims was to assess the impact of entrepreneurship training on goal setting competency of an entrepreneur by taking entrepreneurship Development Center, Ethiopia as a case study. Data were collected from 303 sample trainees from Jigjiga and Dire Dawa cities selected in simple random sampling method. Data analysis was supported by SPSS Version 20.0 and MS-Excel programs. Descriptive, correlation and simple linear regression analysis were employed to analyze the data obtained. The study revealed that there is, substantial positive correlation ($r = 0.631$), statistically significant relationship between entrepreneurship training and goal setting competency. Therefore, participation in entrepreneurship training programs has a critical role in developing skill of individuals to set their goals and stick to it. Based on the findings the study, it is recommended to the center to strength its training delivery system for effective outreach to the community especially to rural areas of the country.

Keywords: competency, entrepreneur, entrepreneurship training, goal setting

Introduction

Entrepreneurs are a different breed, they think different, act different, and live different than the rest of society. Various scholars and researchers (Kochadai, 2011 ^[1]; James, 2009 ^[2]; Sujan, 2015 ^[3]; Louis, 1994 ^[4]; Suresh, 2011 ^[5]; Anita, 2013 ^[6] identified several characteristics of entrepreneurs that distinguish successful entrepreneurs from others. The following are characteristics that are found within all successful entrepreneurs and without which most people will fall short of what it takes to succeed in an entrepreneurial enterprise. A successful entrepreneur is always aware of the new developments and changes that take place around him in the society and is prepared to adapt to the changing needs of the society (Suresh, 2011) ^[5]. He also stated, as various studies in entrepreneurship revealed, personality and cultural or social factors are related to entrepreneurial behaviour. Traits such as self-confidence, creativity, persistence, calculated risk taking capacity, determination, need for achievement, individuality, leadership, versatility, optimism and liking for challenges characterize the entrepreneurial person.

Therefore, it is important that the business owners or entrepreneurs must react with the environment proactively in order to minimize the negative effect of the challenging business environments. The entrepreneurial competency comes in to play its critical role in taking such hands-on approaches with the environment. In relation with this point Kochadai (2011) ^[1] stated that, an entrepreneur is expected to interact with environmental forces which require him/her to be highly competent in different dimensions like intellectual, attitudinal, behavioral, technical, and managerial aspects. Entrepreneurs are therefore permanently challenged to deploy a set of competencies to succeed in their entrepreneurial endeavors.

Therefore, the role of an entrepreneur's competency is highly a critical factor in achieving excellence in performance to

ensure a sustainable growth and success of a business enterprise in a competitive business environment. The importance of entrepreneurial competency has been increased during the past few decades due to the strategic role played by the human factor particularly the entrepreneur of a business enterprise. "The person behind the successful performance is called the entrepreneur and the quality or ability required to carry on his/her business successfully is called his/her competency" (Kochadai, 2011) ^[1].

Further, the policies, the programmes and strategies of a business are basically depending on the personal competency of its entrepreneur which in turn influences the profitability of the business (James, 2009) ^[2]. To bring these entrepreneurial competencies to the business and become successful, effective entrepreneurship education program plays a critical role. In other words, entrepreneurship education programs should incorporate the basic personal entrepreneurial competencies that a successful entrepreneur needs to have.

Entrepreneurship Education and Training

As EU (2012) ^[7] stated the overall goal of entrepreneurship education is to give students the attitudes, knowledge and skills to act in an entrepreneurial way. In relation with this, As Lackues (2015) ^[8] stated the main goal of most entrepreneurial education is to develop some level of entrepreneurial competencies. Teaching for entrepreneurship means an occupationally oriented approach aiming at giving budding entrepreneurs the requisite knowledge and skills.

As Hisrich (2005) ^[9] and EU (2014) ^[7] stated entrepreneurship education plays an important role in developing entrepreneurs. Education is an important tool for building entrepreneurial attitudes. Entrepreneurship education helps to promote entrepreneurial and innovative culture by changing mindsets and providing the necessary skills. According to Otuya (2013) ^[10] and Garavan (1994) ^[11], the major challenges of

entrepreneurship education are the appropriate curricula and training programs for teaching entrepreneurship knowledge and skills. As Otuya (2013) ^[10] indicated in his study that, someone who has exposure to entrepreneurship education program has higher intentions toward entrepreneurship than their counterparts who have no exposure to entrepreneurship courses. However, provision of suitable Entrepreneurship education and training program play critical role. Those education programs should have a contribution on the Entrepreneurial Competencies of the trainees to change their internal motivation and self-employment intention in the future.

Entrepreneurial Competency

Based on the studies conducted by various scholars, entrepreneurial competencies are defined as underlying characteristics possessed by a person which result in new venture creation, survival, and/or growth (Bird, 1995 ^[12]; Kochadai, 2011 ^[1] and Izquierdo *et al.*, 2005) ^[13]. Bird (1995) ^[12] suggests that entrepreneurial competencies are underlying characteristics such as specific knowledge, motives, traits, self-images, social roles and skills which result in venture birth, survival and/or growth. An entrepreneurial competency is defined as the total ability of the entrepreneur to perform a job role successfully. In line with the above literatures, entrepreneurial competencies have been identified as a specific group of competencies relevant to the exercise of successful entrepreneurship. Such entrepreneurship is often associated with the development of small and new businesses (Colombo and Grilli, 2005 ^[14]; Nuthall, 2006 ^[15]; Mitchelmore and Rowley, 2010 ^[16] and Bacigalupo *et al.*, 2016 ^[17]). As Péter (2013) ^[18] and Arafeh (2016) ^[19] explained Entrepreneurial Competencies are the key personal characteristics that should be possessed by successful entrepreneurs to perform entrepreneurial functions effectively and efficiently. Both SKECM model and EMPRETEC approach came up with the concept that there are ten Personal Entrepreneurial Competences (10 PECs) common among successful entrepreneurs. According to them, Goal setting is one of the most important competencies that any entrepreneurs should have to be successful in the future. As Arafeh (2016) ^[19] stated the 10 PECs are grouped in to three clusters: Achievement Cluster (Opportunity seeking and initiative, Persistence, Fulfilling commitments, Demand for Quality and Efficiency and Taking Calculated Risk), Planning cluster (Goal setting, Information seeking and, Systematic planning and monitoring) and Power Cluster (Persuasion and networking, and Independence and self-confidence). The main aim of this study was to assess the relationship between entrepreneurship education and training on one of the competency (i.e. goal Setting).

Goal Setting

As Preeti (2016) ^[20], Péter (2013) ^[18], McClelland and McBer (1985) ^[21] expressed goal setting is the ability of an entrepreneur to set clear and specific goals and objectives. Successful entrepreneurs are able to achieve great things only by overcoming the obstacles that stand in their way. Therefore entrepreneurs need to have perseverance which implies commitment, hard work, and patience, endurance apart from being able to bear difficulties calmly and without complaint. Successful entrepreneurs are characterized by a need for

achievement which motivates them to take up responsibilities for finding solutions to problems. Further this quality helps them to set challenging goals for themselves, assume personal responsibility for the goal accomplishment and they are highly persistent in the pursuit of these goals.

According to EMPRETEC this competency is the most important competency because none of the rest will function without it. Entrepreneurs know what they want. They know where they're going in business (UNCTAD, 2015) ^[22]. They are always thinking about the future and set goals. They demonstrate the following behaviors:

- Set goals and objectives which are personally meaningful and challenging;
- Articulate clear and specific long-term goals; and
- Set measurable short-term objectives.

Therefore, for this study the researchers tried to see the relationship between entrepreneurship education training and goal setting competency of an entrepreneur, considering Ethiopian Entrepreneurship Development Center as case study.

Entrepreneurship Development Centre (EDC)

The Entrepreneurship Development Centre (EDC) is a quasi-governmental entity established under the framework of the Entrepreneurship Development Program (EDP). To facilitate the realization of the entrepreneurship development goals set in the government's Growth and Transformation Plan (GTP), the Government of the Federal Democratic Republic of Ethiopia, represented by the Ministry of Urban Development and Construction (MoUDHCo), in partnership with the United Nations Development Programme (UNDP), formulated and introduced an innovative entrepreneurship and enterprise development initiative, namely the Entrepreneurship Development Program (EDP), which was officially launched in February 2013.

EDP, which is also supported by the Government of Canada, aims to identify growth-oriented enterprises as well as potential entrepreneurs, unemployed youth and women nationwide. It provides them with direct support to enhance their entrepreneurial skills and competencies to establish and operate profitable, competitive businesses on a sustainable basis.

The overall objective of the Programme is to bring about a transformational change in unleashing the growth potential of micro and small-scale enterprise. Through provision of a programmed package of a mix of entrepreneurial and management skills training and coordinated delivery of customized and comprehensive range of business advisory services, to develop indigenous entrepreneurs that establish successful and growth oriented enterprises (EDC) ^[23].

Statement of the Problem

As it is stated in various empirical studies, in the past two decades it is witnessed that there is significant growth in entrepreneurship education in most industrialized countries (Matlay & Carey, 2006) ^[24]. Entrepreneurs are the engines of the local economy and contribute to a country's wealth to a great extent. Accordingly it is of utmost importance, to create – educate and motivate – young adults to become entrepreneurs and start their own enterprises (Lazanyi, 2014) ^[25].

In Ethiopia, all higher educational institution, especially university level, incorporated entrepreneurship education as a major part of their curricula. In addition, there are various

training centers providing entrepreneurship training throughout the country. Ethiopian Entrepreneurship Development Center (EDC) is one of them. The training programs organized by EDC are well organized and in line with both SKECM model and EMPRETEC. Even if the training programs of the center are well structured, the impact of the center entrepreneurship and training program on the goal setting ability of an entrepreneur after the training program is not clearly assessed. The relationship between the two variables is not well determined. So, this motivated the researchers to involve in this study.

Objective

The objective of this article is to assess the impact of entrepreneurship education and training on goal setting competency of an entrepreneur.

Hypothesis

H0: “There is no statistically significant relationship between participation in entrepreneurship education and training programs and goal setting competency of an entrepreneur.”

Materials and Methods

- **Research Design:** This study is an explanatory research that showed the relationship between two variables. Both quantitative and cross-sectional survey research design was applied. Once the basic factors for the study found a descriptive study was carried out to assess the relationship between entrepreneurship education and training, and goal setting competency of an entrepreneur.
- **Sources of Data:** The main source of data for this study is primary data source which were collected by distributing questionnaire to the sample responds selected from Jigjiga and Dire Dawa towns (eastern part of Ethiopia). In addition, secondary sources of information from different documents and publish/unpublished materials of EDC and EMPRETEC were used as a source of data.
- **Methods of Data Collection:** Self-administered questionnaires were employed to collect the primary data and various document analyses were the main secondary

data collection method. The questionnaires were distributed to trainees of EDC.

- **Method of Sampling and Sample Size Determination:** For this study the researchers used simple random sampling techniques to collect the required data from Jigjiga and Dire Dawa cities.
- As the data obtained from EDC since officially launched in February 2013, the center delivered its training programs to 1,224 at Diredawa city and 31 at Jigjiga city. So, the populations for this study were 1,255 trainees. Using Yemane formula of sample size with an error of 5% or with a confidence coefficient of 95%, the calculation from the total population of trainees in the study areas came up 303 sample size. Therefore, data were collected from 303 sample respondents.
- **Data Analysis Method:** After the relevant data were collected, coded, summarized by Ms-Excel application the data was analyzed using SPSS (Statistical Package for Social Science) version 20.0. To assess the impact of entrepreneurship education and training on goal setting competency of an entrepreneur, the researchers employed Pearson Correlation coefficient and Simple (bi-variate) linear regression analysis techniques.

Thus, the regression relationship between the independent variable (entrepreneurship education and training) and dependent variable (goal setting) of this study was based up on the linear regression model shown below:

$$Y = \alpha + \beta X + \varepsilon$$

Whereas: Y = goal setting competency
 X = Entrepreneurship Education and Training
 α (Alpha) and β (Beta) ε is error term

Result and Discussions

Based on the objective and hypothesis of the study the researchers tried to explain their study findings. The correlation and regression results of the study were discussed. *H0: There is no statistically significant relationship between participation in entrepreneurship education and training programs and goal setting competency of an entrepreneur.*

Correlations

Table 1: Correlations result between Entrepreneurship Training and Goal Setting Competency

		Entrepreneurship Training	Goal Setting Competency
Entrepreneurship Training	Pearson Correlation	1	.631**
	Sig. (2-tailed)		.000
	N	303	303
Goal Setting Competency	Pearson Correlation	.631**	1
	Sig. (2-tailed)	.000	
	N	303	303

** . Correlation is significant at the 0.01 level (2-tailed).

The Pearson correlation coefficient value of r = 0.631 confirms that, there was Substantial Positive correlation between entrepreneurship training and goal setting entrepreneurial competency of an entrepreneur at P = 0.000 (2-sided) significant level. This means that with the high levels of entrepreneurship training or when individuals attained entrepreneurship training programs of EDC, ability to set own personal or business goal/objectives will increase. The goal

will be short, medium, or long-terms goals. In other words, entrepreneurship education and training has a direct positive impact on goal setting competency of individuals. To see the strength of the relationship among the variables, linear regression analysis result is explained in the following tables below. So, the result indicated that the relationship is statistically significant at P = 0.000 (2-sided).

The Model Summary table below provided the correlation coefficient and coefficient of determination (r^2) for the regression model. The r^2 value (the "R Square" column) indicates how much of the total variation in the dependent variable, can be explained by the independent variable.

Model Summary^b

Table 2: regression model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.631 ^a	.398	.396	2.058

a. Predictors: (Constant), Entrepreneurship Training

b. Dependent Variable: Goal Setting Competency

As it is clearly seen a coefficient of $r = 0.631$ suggested that there is Substantial Positive relationship between the two variables and while $r^2 = 0.398$ suggested that 39.8% of the variance in goal setting competency can be explained by entrepreneurship education. In other words, individual’s goal setting competency can be predicted by effective entrepreneurship education and training programs.

From the ANOVA table, the F value shows that variation (influence) of entrepreneurship training is appropriately explained in the dependent variable (Goal Setting Competency). As Zikmund *et al.*, (2013)²⁶ stated that if your obtained value of F is equal to or larger than the critical F-value

Coefficients^a

Table 4: regression coefficients result

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1	(Constant)	41.191	1.905	19.426	.000
	Entrepreneurship Training	.552	.139	.631	3.533

a. Dependent Variable: Goal Setting Competency

The Coefficients table shows the values for the regression line. The t-test for entrepreneurship education equals 3.533, and is statistically significant, meaning that the regression coefficient for entrepreneurship education and training is significantly different from zero. Note that $(3.533)^2 = 12.484$, which is the same as the F-statistic (with some rounding error). The coefficient for entrepreneurship training is 0.552, meaning that for participation in entrepreneurship training programs of EDC, 0.459 units cumulative increases in goal setting competency would be expected. In other words, the slope of the regression line which is the regression coefficient (B) is 0.552. This means that for participation in entrepreneurship training program the model predicts 0.552 value / contribution increase in goal setting ability of individual for their daily life or business operation. Statistics

The constant is 41.191, and this is the predicted value when entrepreneurship education equals zero. This means that, basically in the (Constant) row the column marked B provides with intercept - this is the value of goal setting competency where individuals has not participated in entrepreneurship training programs or $x = 0$. Therefore, the estimated regression model equation is:

in the table, then your result is significant at that level of probability.

ANOVA^a

Table 3: Anova result

Model	Sum of Squares	df	Mean Square	F	Sig.	
1	Regression	143.045	1	143.045	12.484	.000 ^b
	Residual	4135.119	301	9.7602		
	Total	4278.164	302			

a. Dependent Variable: Goal Setting Competency

b. Predictors: (Constant), Entrepreneurship Training

Accordingly, this study result shows that, the F-test result (12.484) is larger than the critical value table F-value (less than 3.86¹), the model is statistically significant with $p < 0.05$ significance level. With $F = 12.484$ and 302 degrees of freedom the test is statistically significant, thus it shows that there is a linear relationship between the variables of the study. Therefore, the study result shown in the regression model predicts the dependent variable significantly well as $P = 0.000$ (2-sided), which is less than 0.05 significant level of this study, and indicates that, overall, the regression model statistically significantly predicts the outcome more accurately. In other word the regression model of this study is a good fit for the data.

$$Goal\ Setting\ Competency = 41.191 + 0.552 (Entrepreneurship\ Training)$$

Finally, based on the result of the study, the P-value is smaller than the level of significance; hence we can reject the null hypothesis and accept the alternative hypothesis of the study. Therefore, we can say that there is statistically significant relationship between participation in entrepreneurship education and training programs, and goal setting competency of an entrepreneur.

Conclusions and Recommendations

The main conclusion that drawn from this study is that, the impact of entrepreneurship education and training programs of EDC on trainees’ goal setting performance is higher. Individuals exposed to entrepreneurship training programs set their goals better and manages them as per the goal they settled. Even if the Ethiopian entrepreneurship development is at its educational stage, EDC is contributing a lot for entrepreneurship education spread throughout the country. Therefore, entrepreneurship education and training programs

¹ See any statistics F value table for $\alpha = 0.05$, F (1, 302)

has a critical role in developing skill of individuals to set their goals and stick to it.

The researchers recommended the following points for the center to improve its contribution to the development of entrepreneurship education in the country:

- The Entrepreneurship Development Center, Ethiopia should strengthen its delivery system for effective outreach to the community especially to rural areas of the country.
- The trainers should be well equipped with the knowledge entrepreneurship and the methodology.
- Role model entrepreneurs should be invited for experience sharing which benefits business start-up level trainees.

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