Courage, Purpose and Entrepreneurship

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Abstract

The purpose of the study was to investigate the impact of courage and purpose on entrepreneurship of the youth in Uganda. While the problem of youth unemployment has continued to be tackled at the macro-policy level the percentage of unemployed youth has continued to rise currently estimated at 83% in Uganda. This experience seems to suggest that the macro level approach needs to be supplemented. The study established that the process of instilling courage amongst the youth has largely been ignored in youth self-employment strategies. Most of the youth often enter the world of work ill prepared psychologically to confront the realities of the world and this may have led some of them to abandon the entrepreneurship path. The study concludes that while courage is important in entrepreneurship there is a need to recognize and inculcate moral and spiritual dimensions into entrepreneurial activity.

Keywords: Courage, Purpose, employment, Entrepreneurship

1. Introduction

Uganda’s labour force consisting of persons aged 14-64 years was estimated in 2009/10 to be at 11.5 million persons with an annual growth rate of 4.7 percent. This is above the national population growth rate of 3.2 percent per year. The high growth rate of the labor force poses a challenge in that jobs should be secured to match the increasing labor force. Specifically, the proportion of the youth (National definition, 18-30 years) in the population rose from 44 percent in 2005/06 to 48 percent in 2009/10. Again one would expect these youths to put severe strains on government in terms of providing employment opportunities and an enabling environment for business start ups and the flourishing of the entrepreneurial spirit in the youth. This expectation is supported by data: The annual growth rate of the labor force for those with a degree and above grew by 20 percent per annum between 2005/2006 and 2009/2010, (Uganda National Household Survey Report 2009/2010). Overall in 2009/10 Uganda’s population was estimated to be about 30.7 million and about half of it was aged below 15 years with slightly more females than males. Uganda’s population therefore mainly comprises of the youth who are amenable to various skill based, behavioral change interventions which could be initiated by the government and or other stakeholders in the private sector.

One of the major interventions by government was the introduction of entrepreneurship education (here after abbreviated to EpE) first in secondary and high school education levels around the late 1990s and nowadays up to PhD level. The major objective has continued to be creating a cadre of youth who are job creators. However a reality check confirms failure in achieving this objective: in 2005/06, 8% of the youth were unemployed and the figure went up to 10.1% by 2009/2010 (Ministry of Education and Sports, 2012).

The emphasis on job creation per se brackets important considerations in the process of launching and sustaining business. Job creation is need driven entrepreneurship which may grow into a venture which is not appreciative of the need for a mutually beneficial relationship with the community within which the entrepreneur’s business is located and draws its nourishment. In the United Kingdom for example business start ups have a very high failure rate with as many as 1 in 3 failing in their first three years, (The Times 100).
The experience in the USA is similar the majority of start-ups go out of business within five years, and two-thirds are no longer operating ten years after being formed, Scott Shane (2011). In Uganda the experience is no different - more than fifty percent of businesses fail in the first five years, Tushabomwe-Kazooba, (2006). This experience of high business start up failure rates has been well researched without any impact on future outcomes. There is therefore a need to revisit the phenomenon but using a different perspective.

The importance of entrepreneurship education in improving the plight of the youth has been emphasized by the Government of Uganda in its ten years BTVET Strategic Plan, 2012/13 to 2022/23, called Skilling Uganda. The major objective leading to this strategy is the need to link training to employment – either self or paid employment, (Ministry of Education and Sports, 2012). This objective echoes the first perspective of entrepreneurship: self employment of any sort, Richard Cantillon (1730) though other perspectives have since been noted: a factor which unites all the other means of production with a profit objective, Say (1816); Schumpeter (1934) the innovator who implements change within markets through ‘creative destruction’ and Penrose (1963) process of indentifying opportunities within the economic system. ( All citations [ Online] Available http://westaction.org/defnitions/ def entrepreneurship 1.htm/ October 27, 2013 ) In summary, entrepreneurship is often viewed as a function which involves the exploitation of opportunities which exist within a market. This study proceeds to show that courage is required in exploiting opportunities and the purpose, the outcome of exploiting opportunities must be beneficial at least to the immediate community.

The foregoing discussion gave a justification for a qualitative case study of “Courage, Purpose and Entrepreneurship.” Given the many challenges facing EpE information obtained directly from the youth will inform public debate, donor agencies and other stakeholders who are interested in seeing improvement in EpE and ensuring that it makes a positive impact on society.

1.1. Statement of the Problem

The unemployment amongst the youth appears to be on the increase despite government interventions aimed at inculcating and fostering the entrepreneurial spirit. Furthermore the high failure rate, about 50%, of business start ups appears to be a deterrent to the youth contemplating to go into self employment. This challenge appears to be exacerbated by the narrow and selfish view of equating entrepreneurship to self employment and or profit as the bottom line in the case of businesses created.

1.2. Study Objectives

The main objective of the study was to investigate the impact of courage and purpose on entrepreneurship of the youth in Uganda. This objective was approached by reviewing three main issues:

1. The role of courage in enhancing entrepreneurship.
2. The purpose of the business idea: the indicators of success in entrepreneurship.
3. The impact of courage and purpose on entrepreneurship.

2. Literature Review

2.1 Courage

“A commonly accepted description of entrepreneurship is a process of identifying, evaluating, seizing an opportunity and bringing together the resources necessary for success” Cornwall & Naughton (2003, P.62). This view when unpacked reveals dangers to the prospective entrepreneur. However, the teaching of business start ups in EpE has tended to be ‘arm chair’ or by class room delivery through discussions, case, role play. The student rarely comes face to face with the ugly head of competition which more often than not is survival of the fittest. It therefore appears that the capacity to face danger cannot be fully developed in the class room if one recalls the definition of courage: “the ability to face danger, difficulty, uncertainty, or pain without being overcome by fear or being deflected from a chosen course of action” Encarta Dictionary. Or, “the ability to do something dangerous, or to face pain or opposition, without showing fear” Oxford Advanced Learner’s Dictionary (2010, p.335). In particular, courage is a character trait built up by practice that allows one to persist willingly in the face of fear and pain for the sake of good ends, Naughton & Cornwall (2006). One successful entrepreneur in Uganda recently gave an account of his courage when he recalled that after the death of his aunt, he used the little money that was meant for his hostel fee to buy the ingredients needed for the first batch of supplies and yet he did not even have any clients, ( Karemani, 2012).
In USA, Steve Jobs (2005) demonstrated courage in his experiences of dropping out (of university) and trusting that it would all work out OK a decision he found pretty scary at the time. There is anecdotal evidence similar to these two stories which lead us to formulate the first research question:

*Rq1: What is the role of courage in entrepreneurship?*

### 2.2 Purpose

Purpose can be viewed as: “the reason for which something exists or for which it has been done or made, the goal or intended outcome of something” Encarta Dictionary. The Oxford Advanced Learner’s Dictionary (2010, p.1191) gives a similar definition: “the intention, aim or function of something, the thing that something is supposed to achieve.” Most of the literature examining entrepreneurship takes an overly narrow financial viewpoint when examining the purpose of entrepreneurship.” Cornwall and Naughton (2003, p.61). Even the classical view of Drucker that the purpose of a business is to “create a customer” has got clear undertones of the financial viewpoint.

This author argues that a moral dimension and community perspective have to be added to the purpose of business creation. This view is supported by Cornwall and Naughton (2003, p.61) when they observe that “failure to understand entrepreneurship within a moral context is a problem not only for society, but also for entrepreneurs, whose growth is stunted by this lack of understanding.” Cornwall and Noughton (2003, p.68) defend their viewpoint when they note that: “When success in entrepreneurship is measured using traditional financial measures as taken from the entrepreneurship literature, pornography companies must be called successful. They earn vast profits and create huge amounts of wealth for these entrepreneurs.”

“More than two centuries ago, Adam Smith argued that capitalism was a system of economic organization whereby social welfare can be most effectively created through the pursuit of economic and moral self-interests.” Newbert (2003, p. 251) However, there has since been an over emphasis on the belief that the pursuit of economic self-interests alone will engender the greatest social welfare. The reality of our times of high pollution levels, environmental degradation, poverty, corruption, etc shows that the blind pursuit of self interests can be very dangerous to society. Social economists therefore reject the notion of self interest magically providing social welfare as Obrien, (1989, p.20) as cited in Newbert 2003, p.254) points out: “rational men look for a purpose in life to which economic means may be directed.” Newbert, p.255, also warns that “since the outcomes of individual actions are often unforeseeable, individuals must not simply rely on the market to produce a moral state.” This might be difficult to achieve since the curricula used in EpE relies and espouses the “self interests” view of entrepreneurship. Therefore the dominance of neoclassical economic thinking in business schools and technical, vocational and educational training institutions (TVETs) may actually reduce the moral capacity of tomorrow’s entrepreneurs. The foregoing discussion leads to the second research question:

*Rq2: How is success in entrepreneurship perceived?*

### 2.3 Courage, Purpose and Entrepreneurship

One of the characteristics of entrepreneurs is that of risk taking: a practice/tendency of doing things that involve risk in order to achieve something. Clearly, therefore from our earlier discussion, risk taking would appear to be a sub set of courage. But what type of courage is desirable? Someone who decides to rob a bank has courage; a thief has courage and so on. We argue courage must be directed at good ends: “An entrepreneur who strives continuously after virtue attempts to order his work toward good ends. He understands his company not as profits to be maximized, but wealth to be shared and communities to be developed” Naughton and Cornwall, (2006, p.71). Such entrepreneurs enhance the moral and spiritual development of persons.

If the entrepreneur’s courage is focused wholly on achieving private gain (wealth accumulation, self employment) then “other ends such as sharing the wealth, products, and services that serve the common good, the moral character of the entrepreneur, creating a community of work, spiritual meaning, and so forth, are ignored” Naughton and Cornwall. Entrepreneurs who are oblivious of community challenges and good citizenship often fall into the trap of possessions: “there is never enough. When they finally get the car they’ve dreamed of, they then pursue a yacht. Once they get the yacht, they want the private plane that all the other "successful" entrepreneurs now own.” Cornwall and Naughton (2003 p.69). The discussion appears to suggest that both courage and purpose have to be directed towards good ends if entrepreneurship is to flourish. This leads us to the third research question:
Rq3: Who is a good entrepreneur?

3. Methodology

This being an exploratory study a qualitative approach was used to collect data from 58 university students in their second year of degree study in the Bachelor of Science in marketing program. Since these students had studied entrepreneurship and had a career path in business it was thought their views would give insight to the study investigating courage and purpose in entrepreneurship. All the students were requested to answer in detail three open ended questions. The three questions resulted from a literature review and discussions / opinions of the experts. The three survey questions were:

Q1: If you were to be availed with enough capital now to start a business would you drop out of your degree program? Give a detailed response to justify your decision.

The responses to this question would provide an insight into the degree of courage the students have as it presents risk to the student. Furthermore, the Uganda government is under the notion that it is lack of seed capital that is constraining the youth from starting businesses. In this connection, President Yoweri Museveni is reported to have directed the Ministry of Finance, Planning and Economic Development to include the newly created Graduate Fund in the next budget to support unemployed graduate youth access loans and start income generating activities (Wamboka, 2012). One could therefore assume that once capital is provided then a majority of the youth would dash for it.

Q2: What does success in entrepreneurship mean to you?

Cornwall & Naughton (2003, p.62) claim that “there is virtually no effort in the literature to ask entrepreneurs what success means to them.” No wonder “much of the literature focuses on the actions and behaviors as it relates to financial growth as the measure of success.” Cornwall & Naughton (2003, p.62).

Q3: Describe in great detail a good entrepreneur.

The literature reviewed argues that the entrepreneur must be mindful of doing things that result in “good ends” for the community of persons and the environment. Furthermore being a change agent being good and doing good should flow naturally in the blood of the entrepreneur. Finally courage and purpose are initially shaped by the entrepreneur but they too finally shape the entrepreneur.

4. Findings and Discussion

The findings are reported under each research question.

Rq1: What is the role of courage in entrepreneurship?

(a) I would not drop out.

Out of 58 students who agreed to participate in the survey 35 or 60% of them said they would not drop out of a degree study program to start a business. This general finding that the majority of students are not in favor of entrepreneurship is supported by Hempel (2010) who noted that “even practitioners who promote youth entrepreneurship say the share of potential entrepreneurs is only about 20 percent of any given population.” Each of the students gave reasons for their decision. After grouping of the various reasons four clusters emerged.

(a) Value judgment: Education is better than business.

We present some of the quotable reasons given: “Educational qualifications are long term that is cannot easily perish compared to the business which can be destroyed completely.” “Capital may depreciate, get lost but education qualification attained lasts forever.” “The best capital a person like me can get is education” “One learned mind is worth billions of capital - never will I terminate my study program” “You can lose out on money” “Education is priceless – no one can take it away from you” “I even don’t care about the capital but for my education. Help me God” “Education comes before money it creates it.” “Knowledge is more important than money” “I will have wasted all my time and effort trying to acquire a degree” “I am here to study not to think of business”.

Our finding is supported by Ssekamwa (1999) who observes that in Uganda, degrees remain important status symbols and their holders enjoy greater social and professional benefits than diploma and certificate holders.
The study finding also challenges a commonly held belief that it is lack of capital that is holding people back from getting started in business, (Enterprise Uganda). Farstad (2002) is of the view that a widespread negative disposition to self-employment can be observed in the general public in Botswana, Uganda and Kenya.

(b) Fear of failure

We present selected quotable reasons in evidence of existence of fear in the minds of the prospective entrepreneurs.

“I may terminate my study program thinking that the business will succeed yet it may not and so I may end up losing on both sides”; “Capital does not guarantee success in business”; “Business is full of risks; I may fail/ lose all the capital, then what? Many businesses have collapsed in their first year of operation”; “I first have to ask myself: am I ready to take on the competition?”

Our finding is consistent with Robertson et al 2003 as cited in Katono et al (ud) who established that low business start up rates among graduates can be attributed to fear of failure amongst other factors.

(c ) Parental Influence

Some of the reasons given by the students revealed that some of them are still under the influence of their parents as evidenced by some of their statements quoted below: “I would not terminate my study program because of my mum who needs a degree from me not money” “I need a degree to fit in my family” “I will disappoint my parents because they can even give me capital but still want me to study” “My parents have invested a lot in my education I cannot afford to let them down” “I need to consult and get permission from the people sponsoring my studies” “My parents will not support my decision”

Our finding is supported by Henderson and Robertson (2000) as cited in Katono et al (ud) that family is an important factor in the career choice of the youth and that the development of a positive image of entrepreneurship is hindered by lack of role models.

( d ) Technical Competence.

Some of the students doubted their competence to start and run a business and some of the common reasons they gave are: “As a student I may not have acquired enough info, skills, knowledge experience about the world of business and thus it is very easy to fail to run the business set up. “ Running a business is not easy: needs seriousness, full time dedication, I would rather get done with my studies” “I still want more educational qualifications” “Education is a key foundation in any business enterprise with education attained I would be able to manage the finances of the business.”

This study finding is supported by Galloway & Brown (2002) as cited in Katono et al (ud) that lack of skills constrains many budding entrepreneurs from starting a business. Oyugi (2012 p.9) also found that “although the students perceived the content they were given to have given them knowledge about business in general, they did not credit the content for creating entrepreneurship zeal”.

(b) Yes, I would drop out.

Out of 58 Respondents only two said they would drop out of university study. The reasons they gave are captured below: “Starting a new business requires a lot of input, supervision and monitoring and it may be impossible to mix the two.” “From what I have observed most of the students who decide to handle both business and studies at the same time rarely succeed. This is because if they concentrate on books, they may lose out on the business and vice versa” “I can’t serve two masters at the same time” “I can now handle a business and succeed” “We study to get knowledge, skills which help us get capital but since capital is now provided, life has been made easy” “This is a dream come true because I would love to be self employed and employ others. I have always disliked being employed by someone”

(c ) I would do both – un decided.( 21 Respondents couldn’t decide).

The study was interested in reasons for taking a yes or no position. Since these students were undecided their responses do not add much value to the argument. Also an observation by one respondent, that those students who pursue both business and studies face a dilemma of choice and rarely succeed in both, is quite instructive.
Q2: Describe in great detail a good entrepreneur.

Each of the 58 respondents gave a description of who a good entrepreneur is and their descriptions were categorized under: self centered/ own business perspective, concern for community and spiritual awareness. This categorization follows the realization that entrepreneurship is more than achieving materialistic objects for the business owner. The community is the immediate population and micro-environment within which the business is located while society represents the macro environment. Spiritual awareness refers to knowing that all humanity is connected to a higher being in the universe. Spirituality emphasizes humanistic ideas on moral character qualities such as love, compassion, patience, tolerance, forgiveness, contentment, responsibility, harmony, and a concern for others - aspects of life and human experience which go beyond a purely materialist view of the world, (Giniger, K. S and Templeton, J.(1998).

Most of the responses about “a good entrepreneur” were under the self centered/ own business view. The students appear not to place any importance on the other aspects of goodness in entrepreneurship. No wonder no response for instance was recorded under concern for society. Since the students/youth are the future business leaders they may carry and propagate this unbalanced world view. Such a world view is held by mean persons: “The mean person is one whose view of the good is so small that his vision for his enterprise is private - a privation of sorts, and thus he fails to do "great works"(Naughton & Cornwall, 2006, p.78). Following this view, the responses of the students captured below unfortunately describe a mean entrepreneur. The students do not know what it takes to be a good entrepreneur and this could be traced to pedagogy and curriculum development which have tended to bracket spirituality out of business courses.

(a) Self centered/ Own business perspective.

Some of the commonly mentioned descriptors by the students were: Ambitious. Confident, creative and innovative, educated, equipped with leadership skills, good motivator, hard working, has goals and objectives, independent, initiates ideas, Interactive, Knowledgeable, Looks for opportunity, maintains record of business transactions. Organizer owns his business, persistent. Planner, productive development, profit oriented, quality products. Self disciplined. self driven, thirsty for money. Time conscious, understands the needs and wants of customers.

(b) Concern for Community: Acts as a role model

(c) Concern for society – not mentioned.


Q3: What does success in entrepreneurship mean to you?

The study result showed that most of the students considered success in entrepreneurship from a technical view point while a minority added the moral and spiritual perspectives as shown below. The technical view consisted of: marketing, finance, production and personal interest of the entrepreneur. In terms of marketing the following were cited as indicators: Ability to ensure that one remains the best; Ability to lay strategy; Increasing number of customers; Keeping in touch with clients who in turn add value into business; Maximizing sales; Out competing your competitors, and Providing customer satisfaction. However, the financial indicators were cited as: Accumulation of assets; Accumulation of capital; Being able to pay taxes; Being profitable; Easy access to a bank loan; having the ability to manage risk, Maximizing profits; more business partners and regular income flow. The production indicators were cited as: Being continuous in business; maintaining continuous production; Expanding business in relation to growth; High degree of technology; Improving quality of work and products; increased output; and reduced cost of production. Finally, fulfilling the personal interests of the entrepreneur and doing what one enjoys were cited as indicators of success at the personal level.

Success of entrepreneur from the moral view point comprised of: abiding with the rules that conserve the environment; Being transparent by avoiding cheating customers and other stakeholders; maintaining a good reputation/ creating good image; and having successful business relationships. Creation of employment opportunities was considered spiritual as it showed care for fellow man.
The foregoing views on self centered entrepreneur will not be repeated here. However, it appears that if students are not reoriented they may mature into private persons who are “clueless to the moral and social knowledge that they act only on the technical level with their own limited interest in mind”, Cornwall and Naughton (2003, p.67). Clearly, such a genre of entrepreneurs can pose a serious menace to society and mankind.

5. Recommendations

The study findings lead to the following major recommendations:

1. Pursuing educational qualifications leading to employment appears to be currently preferred by the youth. Interventions therefore need to be made to change this perception if entrepreneurship is not to be seen as necessity driven and a last resort for the educated youth.

2. There is need to reorient the students into knowing that entrepreneurship has a greater calling than just the selfish and materialist ends they seem to have been taught in business courses. This will inevitably call for curriculum review.

6. Conclusion

The study found that while courage is very important in entrepreneurship amongst the youth value judgments preferring education for employment over self employment, parental influence and perceived lack of competence to run business appear to constrain business start ups. Finally, there is a need to recognize and introduce the moral and spiritual dimensions into entrepreneurial activity.
Bibliography


