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ESTABLISHING AN INDUSTRIAL DEVELOPMENT AND FINANCIAL ORGANIZATION  
FOR PROMOTION OF THE SMALL AND MEDIUM-SCALE  
ENTERPRISE SECTOR IN SIERRA LEONE

DP/SIL/87/003

SIERRA LEONE

Technical report No. 9: Training of NIDFO professional  
staff in entrepreneurship development\*

Prepared for the Government of Sierra Leone and the National Industrial  
Development and Finance Organization Limited (NIDFO)  
by the United Nations Industrial Development Organization,  
acting as executing agency for the United Nations Development Programme

Based on the work of Herminia R. Fajardo,  
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Vienna

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\* This document has not been edited.

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TRAINING OF NIDFO PROFESSIONAL STAFF AND UN VOLUNTEERS  
IN ENTREPRENEURSHIP DEVELOPMENT

DP/SIL/87/003

A B S T R A C T

This report is a documentation of the training activities undertaken by the Entrepreneurship Development Programme Expert for the professional staff of the National Industrial Development and Finance Organization Limited (NIDFO) and the UN Volunteer specialist in entrepreneurship development.

The training was intended to enable such personnel in executing the Entrepreneurship Motivation Training (EMT), conducting the Basic Business Management Course (BBMC) and undertaking other component activities in the entrepreneurship development programme of NIDFO.

Included herein are the structure, process and coverage of training activities undertaken by the EDP Expert and reveals further training needs that were found necessary to further strengthen the entrepreneurship development services of NIDFO.

TRAINING OF NIDFO PROFESSIONAL STAFF AND UN VOLUNTEERS  
IN ENTREPRENEURSHIP DEVELOPMENT

INTRODUCTION

One of the tasks assigned to the Entrepreneurship Development Programme (EDP) Expert in Project: Establishment of the National Industrial Development and Finance Organization Limited (NIDFO), DP/SIL/87/003, as included in the Job Description, is the intensive training of NIDFO professional staff who are involved in conducting the entrepreneurship development programme and the UNV specialist in entrepreneurship development. As a consequence of the reorientation of the concept of entrepreneurship development (See Report No. 2: Assessment of NIDFO Entrepreneurship Development Programme and Report No. 3: Proposed NIDFO Entrepreneurship Development Programme) training activities undertaken by the EDP Expert included all technical staff of the Development Services Section and all the UN Volunteers.

This report documents structure, process and coverage of training activities undertaken by the EDP Expert and reveals further training needs that were found necessary to further strengthen the entrepreneurship development services of NIDFO.

The training activities were programmed intermittently throughout the duration of the EDP Expert's assignment (28 January to 18 May 1991) and paralleled the consultancy activities being undertaken.

To the extent of being able to execute the Entrepreneurship Motivation Training (EMT) and coordinate the Basic Business Management Course (BBMC), this writer is confident that the technical staff concerned have acquired the fundamental know-how needed. Likewise, the technology for designing training programmes has been reasonably transferred to the relevant staff.

## I TRAINING OBJECTIVES

All training activities undertaken were intended to strengthen the technical staff and UN Volunteers in the Development Services Section of NIDFO in the performance of their duties in entrepreneur development within established corporate policies and guidelines.

Specific objectives have been pursued depending on the perceived and relevant needs of the different recipients of training, to wit:

1. To arrive at an acceptable definition for NIDFO purposes of:
  - Entrepreneurship,
  - Entrepreneur;
2. To establish a common concept of entrepreneurship development;
3. To establish a general understanding of the target of the NIDFO entrepreneurship development programme;
4. To identify measureable characteristics of the entrepreneur that lead to success;
5. To sort out which of these characteristics may be developed through motivation and behavioral training and which through management and/or technical skills training;
6. To arrive at a system of quantifiably measuring the identified entrepreneurial characteristics that indicate potentials for success, for use in the screening of entrepreneur candidates for NIDFO assistance; and
7. To allow for the transfer of technology in designing, preparing for and conducting training programmes;
8. To appraise all technical staff of the Development Services, NIDFO (and a representative of the Sierra Leone Opportunities Industrialization Centre on the mechanics of conducting the BBMC with emphasis on the built-in workshop whereby entrepreneur-participants are enabled to prepare their respective business plans for financing considerations.

Although it was intended to include evaluation and measurement of training as another perceived area for staff training and development, time constraints in the assignment did not allow for this.

## II RECIPIENTS OF TRAINING

The following individual were recipients of training benefits in the different areas covered:

1. R.A.B. Johnson  
Officer-in-Charge, Development Services
2. Samuel Hans-Kawa  
Development Officer
3. Hassan S. Bangura  
EDP Specialist
4. Opong Mensah-Abarampah  
UNV - EDP Specialist
5. D.A. Gunawardana  
UNV - Mechanical Engineer
6. C.A. Nicol  
Extension Worker - Electrical
7. Sahr J.B. Allieu  
Industrial Engineer
8. A.Y. Kargbo  
Officer-in-Charge, Financial Services
9. A.H. Gabisi (Resigned 21 March)  
Extension Worker - Mechanical
10. Augustine Katta  
Management/Business Development Staff  
Sierra Leone Opportunities Industrialization Centre

### III TRAINING METHODS

Two (2) types of training methods were adapted, namely:  
(1) On-the-Job Training, and (2) Seminar-Workshop Approach.

#### A. On-the-Job Training (OJT)

Recognizing the need for a shortcut method of transferring knowledge and technology in entrepreneurship development and training, as the Development Services Section was found way advanced in the process of implementing activities, the EDP Expert opted for an on-the-job training method. It should be appreciated that the EDP/EIP has already been run for seven times and that the BBMC for the fifth time when this writer arrived for the Project DP/SIL/87/003. In addition, the mechanism for extension work for small-scale entrepreneurs is very much in place.

Hence, the EDP Specialists (NIDFO and UNV) were intensively involved in all the activities pertinent to entrepreneurship development as covered in the Job Description of the EDP Expert. This is a deviation from the specified approach of training the UNV - EDP Specialist who will in turn train the NIDFO EDP Specialist. It was also found that the NIDFO - EDP Specialist was ready to absorb direct OJT with an experience advantage over the UNV-EDP Specialist in conducting and handling sessions in the EDP/EIP of NIDFO. It was not difficult to re-orient his perspective and capabilities in the designing of training materials, in the administration of instruments to assess entrepreneurial potentials and in appraising the relative responses of entrepreneurs. The execution of the Entrepreneurship Motivation Training (EMT), modification of the EDP/EIP, in 25 to 28 March was actual proof of the effectiveness of the OJT for this purpose.

Both the NIDFO - and UNV - EDP Specialists were likewise involved in gathering information on the training institutions being assessed for conducting the Basic Business Management Course (BBMC).



In a subtle OJT approach the techniques in designing training programmes, not just the BBMC as called for by the Job Description, were reasonably transferred to the CIC, Development Services, through a consultative approach in the modification of both the EMT and the BBMC as well as in the restructuring of the entrepreneurship development process.

B. Seminar - Workshop

For the technical staff of NIDFO, Development Services, a series of seminar-workshops were conducted. These seminar-workshops were so designed for the purpose of studying specific subjects and involving all participants in deliberations to arrive at a consensus on issues pertinent to entrepreneurship development (Annexes - Compilation of Workshop Documents)

The seminar-workshops were as follows:

1. Friday, 2:00 to 4:00 p.m., 1 March 1991, on Entrepreneurship;
2. Friday, 2:00 to 4:00 p.m., 8 March 1991, on Characteristics of Entrepreneur Leading to Success;
3. Friday, 2:00 to 4:00 p.m., 15 March 1991, on Identification and Selection of Entrepreneurs for NIDFO Assistance;
4. Wednesday, 9:00 to 11:30 a.m., 17 April 1991,  
Thursday, 3:00 to 5:30 p.m.,  
18 April 1991 and Monday, 22 April 1991 on Measurement Criteria for Selection of Entrepreneurs;
5. Friday, 2:00 to 4:00 p.m., on Mechanics of the BBMC and Administration of Workshops I to VII for the Business Plan.

The procedure followed was to identify a problem, explore the problem, discuss or lay out necessary approaches involved in the solution of the problem, analyze the alternative solutions to the problem, share the findings and opinions with others in the group, and reach a collective conclusion on the basis of discussions.

The seminar-workshop allowed considerable flexibility and the emphasis was on improving individual proficiency in and understanding of the subject at hand. Theory and practice were treated concurrently. The participants were encouraged to express their opinions and ideas and by inference received help from one another and from the EDP Expert who acted as the resource person. The learning effectiveness is based on the interest and needs identified by the participants themselves, rather than by the EDP Expert.

#### IV OUTPUTS

Aside from the learning and acceptance of the entrepreneurship development concept and process by the recipients of training, there have been substantial contributions effected to the various activities of the EDP Expert. The systematic involvement of the Development Services staff provided insights as well as inputs into the several outputs of the assignment of the EDP Expert.

Specifically:

1. The EDP Specialists worked with the EDP Expert on devising the scoring system and interpretation of the Entrepreneurial Motivation Test (Report No.6: Guidelines for Assessing Entrepreneurial Aspects of Project Proponents);
2. They contributed to the analysis in the assessment of local training institutions (Report No. 7: Assessment of Capabilities and Facilities of Local Training Institutions);

3. Substantial inputs were provided by both EDP Specialists in gathering and tabulating data used in the analysis of local entrepreneurship in the small-scale industry sector (Report No. 1: Status of Local Entrepreneurship in the Small-Scale Industry Sector);
4. They drew up the flow chart of the existing entrepreneurship development process (Report No. 2: Assessment of NIDFO Entrepreneurship Development Programme);
5. They organized and conducted the First Entrepreneurship Motivation Training (EMT) in 25 to 28 March 1991. The second EMT is scheduled for execution on 1 to 4 May.
6. All other trainees in the seminar-workshops contributed to the statement of a common definition for NIDFO use of ENTREPRENEURSHIP and ENTREPRENEUR;
7. They worked together to identify sixteen (16) entrepreneurial characteristics, which were reduced to nine (9) when combinations of two or three were deemed necessary as the evaluation questions for such traits were being drawn up;
8. They likewise finalized the selection criteria for entrepreneurs with potentials for success (Report No.3: Proposed NIDFO Entrepreneurship Development Programme)

All these contributions are concrete outputs of the series of training workshops provided the technical staff of NIDFO.

## V FINDINGS & CONCLUSIONS

In the course of the training of NIDFO professional staff and the UN volunteers the following findings and conclusions have been arrived at:

1. The Development Services Section is acutely understaffed for the volume and extent of entrepreneurial development work, both for training and extension service.
2. The extension workers have acquired the necessary exposure to the small-scale entrepreneur and enterprise, but lack the necessary techniques in doing extension service. Hence, there is a need for improving their skills in carrying out extension services.
3. The magnitude of work in extension service is not supported by administrative logistics that will allow for data banking and analysis.
4. The EDP Specialist alone may not be able to cope with the entrepreneurship development aspect of development services. It is necessary to train a second EDP Specialist.

### RECOMMENDATIONS

In order to address the issues identified above:

1. Consider the training of an understudy to the EDP Specialist for entrepreneurship development;
2. Provide training for all extension workers on industrial extension service to strengthen their skills in entrepreneurial assistance;
3. Consider setting up administrative support to entrepreneurship support to entrepreneurship development activities by providing an administrative assistant for data banking.

SEMINAR/WORKSHOP ON ENTREPRENEURSHIP

FRIDAY, 3.00 P.M., 1ST MARCH 1991

I OBJECTIVES

1. To arrive at an acceptable definition for NIDFO purposes of:
  - Entrepreneurship
  - Entrepreneur
2. To establish a common concept of entrepreneurship development.

II METHODOLOGY

Workshop approach with everyone participating, under coordination of the EDP Expert.

III PARTICIPANTS

1. OIC, Development Services
2. Development Officer
3. U.N. Volunteers
4. Extension Workers

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WORKSHOP PAPERS

I DEFINITIONS

A. Entrepreneurship

- Joseph Schumpeter (1934)

" any kind of innovative function that could have a bearing on the welfare of an enterprise"

- Arthur Cole ( 1940)

" a purposeful activity to initiate, maintain and develop a profit - oriented business".

- John Sawyer (1958)

function which may be "purely innovative or purely routine" not only in business but also in other organizations where "significant decisions involving change are made affecting the combination of commitment of resources under conditions of uncertainty"

- Albert Shapero (1975)

an "entrepreneurial event" that includes any role associated with initiative, risk-taking, resource aggregation, and autonomy."

- Alfred Chandler & Alfred Sloan  
restricts entrepreneurial functions to the level of a tiered module of the corporate administrative structure.
- Vesper (1982)  
"the creation of new business enterprises by individuals or small groups."
- Development Services Section, NIDFO (1990)  
" involves organization and combination of the resources of the business into a productive unit".

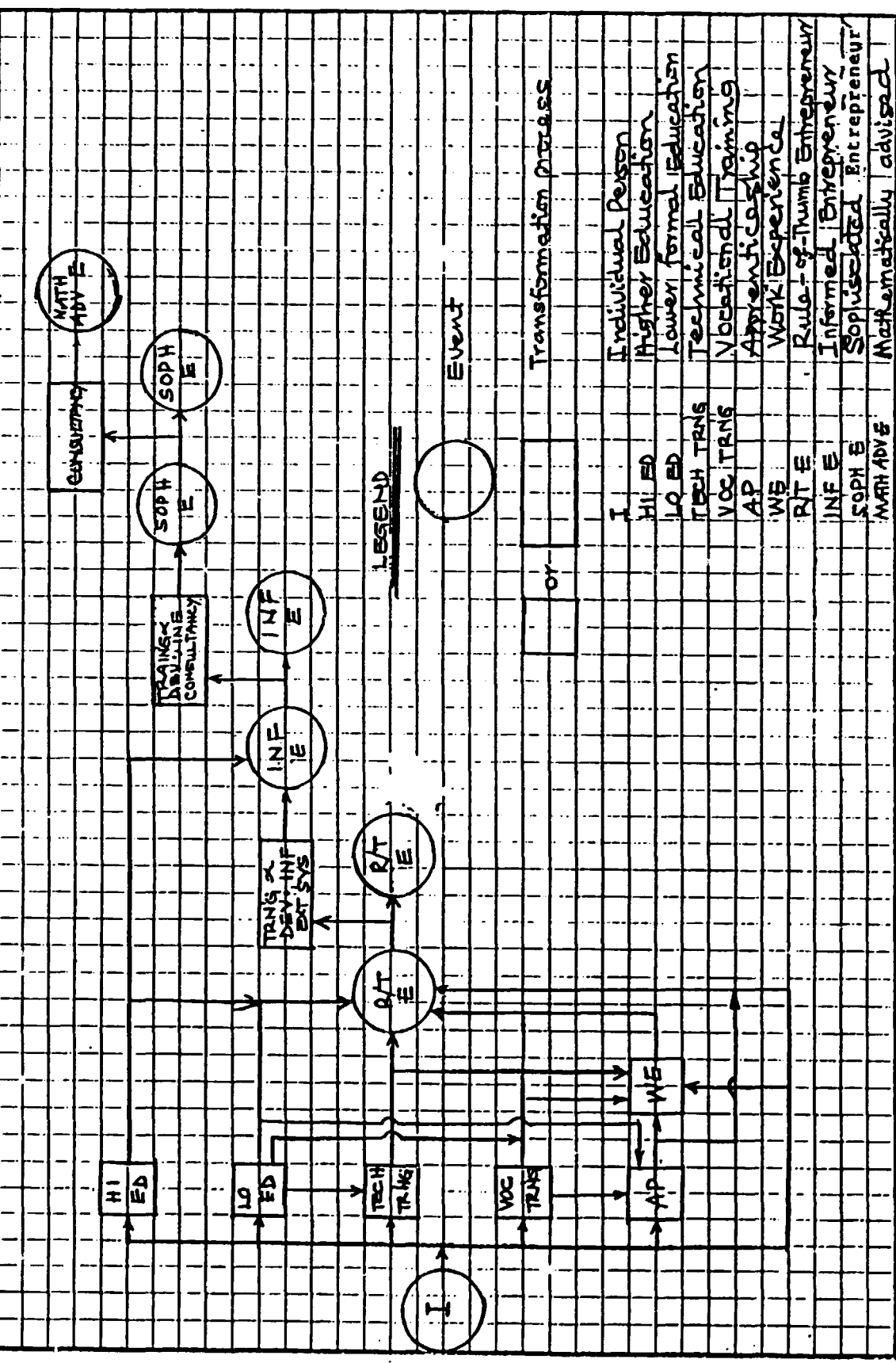
## B Entrepreneur

- Oxford English Dictionary (1897)  
"director or manager of a public misical institution".
- Oxford English Dictionary (1933)  
" one who undertakes an enterprise"
- Shumpeter  
"an individual whose function is to carry out new combinations called an enterprise, doing new things or doing old things in a different way"
- Cole (1959)  
" an individual who undertakes to initiate, maintain or organize a profit oriented business unit for the production of economic goods and services"
- Webster's 3rd New International Dictionary (1961)  
"an organizer of an economic venture, especially one who organizes, owns, manages and assumes the risk of a business.
- Weber (1977)  
"one who holds the ultimate source of all formal authority within the organization"

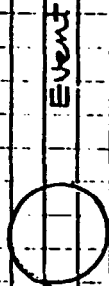
## II CONCEPT OF ENTREPRENEURSHIP DEVELOPMENT

- Characteristics of the entrepreneur leading to success (EEP Opinion Survey #1 & #3)
- Assumptions for EDP based on actual experience and personal opinion (Opinion Survey #2).
- Development Modules
  - x Entrepreneur Selection
  - x Induction to Entrepreneurship
  - x Entrepreneurial Training (Management, Technical)
  - x Extension Service/Consultancy
  - x Information Dissemination

FIG. 1 - ENTREPRENEURIAL EVENT FORMATION FLOW CHART



LEGEND



Transformation Process

I	Individual Person
HI ED	Higher Education
LO ED	Lower Formal Education
TECH TRNS	Technical Education
VOC TRNS	Vocational Training
AP	Apprenticeship
WE	Work Experience
R/T E	Rule-of-thumb Entrepreneur
INF E	Informed Entrepreneur
SOPH E	Sophisticated Entrepreneur
W/ADV E	Mathematically advised entrepreneur.



TABLE 5. CHARACTERISTICS OF FIRM ATTRIBUTED TO THE ENTREPRENEUR.

CHARACTERISTIC	ENTREPRENEUR SOURCE							Firm Rating
	SP4	U	M	W	W	W	W	
1. High inflation	"	"	"	"	"	"	"	5
2. Lack of information	"	"	"	"	"	"	"	4
3. Energy shortage	"	"	"	"	"	"	"	5
4. Lack of capital	"	"	"	"	"	"	"	4
5. Lack of technical skills	"	"	"	"	"	"	"	4
6. Lack of technology	"	"	"	"	"	"	"	3
7. Lack of capital	"	"	"	"	"	"	"	4
8. Lack of information	"	"	"	"	"	"	"	5
9. Lack of technology, information, and marketing skills	"	"	"	"	"	"	"	4
10. Lack of capital	"	"	"	"	"	"	"	4
11. Ability to get along with people	"	"	"	"	"	"	"	5
12. Lack of capital	"	"	"	"	"	"	"	5
13. Lack of capital	"	"	"	"	"	"	"	5
14. Lack of capital	"	"	"	"	"	"	"	5
15. Lack of capital	"	"	"	"	"	"	"	5
16. Lack of capital	"	"	"	"	"	"	"	5
17. Lack of capital	"	"	"	"	"	"	"	5
18. Lack of capital	"	"	"	"	"	"	"	5
19. Lack of capital	"	"	"	"	"	"	"	5
20. Lack of capital	"	"	"	"	"	"	"	5
21. Lack of capital	"	"	"	"	"	"	"	5
22. Lack of capital	"	"	"	"	"	"	"	5
23. Lack of capital	"	"	"	"	"	"	"	5
24. Lack of capital	"	"	"	"	"	"	"	5
25. Lack of capital	"	"	"	"	"	"	"	5
26. Lack of capital	"	"	"	"	"	"	"	5
27. Lack of capital	"	"	"	"	"	"	"	5
28. Lack of capital	"	"	"	"	"	"	"	5
29. Lack of capital	"	"	"	"	"	"	"	5
30. Lack of capital	"	"	"	"	"	"	"	5
31. Lack of capital	"	"	"	"	"	"	"	5
32. Lack of capital	"	"	"	"	"	"	"	5
33. Lack of capital	"	"	"	"	"	"	"	5
34. Lack of capital	"	"	"	"	"	"	"	5
35. Lack of capital	"	"	"	"	"	"	"	5
36. Lack of capital	"	"	"	"	"	"	"	5
37. Lack of capital	"	"	"	"	"	"	"	5
38. Lack of capital	"	"	"	"	"	"	"	5
39. Lack of capital	"	"	"	"	"	"	"	5
40. Lack of capital	"	"	"	"	"	"	"	5
41. Lack of capital	"	"	"	"	"	"	"	5
42. Lack of capital	"	"	"	"	"	"	"	5
43. Lack of capital	"	"	"	"	"	"	"	5
44. Lack of capital	"	"	"	"	"	"	"	5
45. Lack of capital	"	"	"	"	"	"	"	5
46. Lack of capital	"	"	"	"	"	"	"	5
47. Lack of capital	"	"	"	"	"	"	"	5
48. Lack of capital	"	"	"	"	"	"	"	5
49. Lack of capital	"	"	"	"	"	"	"	5
50. Lack of capital	"	"	"	"	"	"	"	5
51. Lack of capital	"	"	"	"	"	"	"	5
52. Lack of capital	"	"	"	"	"	"	"	5
53. Lack of capital	"	"	"	"	"	"	"	5
54. Lack of capital	"	"	"	"	"	"	"	5
55. Lack of capital	"	"	"	"	"	"	"	5
56. Lack of capital	"	"	"	"	"	"	"	5
57. Lack of capital	"	"	"	"	"	"	"	5
58. Lack of capital	"	"	"	"	"	"	"	5
59. Lack of capital	"	"	"	"	"	"	"	5
60. Lack of capital	"	"	"	"	"	"	"	5
61. Lack of capital	"	"	"	"	"	"	"	5
62. Lack of capital	"	"	"	"	"	"	"	5
63. Lack of capital	"	"	"	"	"	"	"	5
64. Lack of capital	"	"	"	"	"	"	"	5
65. Lack of capital	"	"	"	"	"	"	"	5
66. Lack of capital	"	"	"	"	"	"	"	5
67. Lack of capital	"	"	"	"	"	"	"	5
68. Lack of capital	"	"	"	"	"	"	"	5
69. Lack of capital	"	"	"	"	"	"	"	5
70. Lack of capital	"	"	"	"	"	"	"	5
71. Lack of capital	"	"	"	"	"	"	"	5
72. Lack of capital	"	"	"	"	"	"	"	5
73. Lack of capital	"	"	"	"	"	"	"	5
74. Lack of capital	"	"	"	"	"	"	"	5
75. Lack of capital	"	"	"	"	"	"	"	5
76. Lack of capital	"	"	"	"	"	"	"	5
77. Lack of capital	"	"	"	"	"	"	"	5
78. Lack of capital	"	"	"	"	"	"	"	5
79. Lack of capital	"	"	"	"	"	"	"	5
80. Lack of capital	"	"	"	"	"	"	"	5
81. Lack of capital	"	"	"	"	"	"	"	5
82. Lack of capital	"	"	"	"	"	"	"	5
83. Lack of capital	"	"	"	"	"	"	"	5
84. Lack of capital	"	"	"	"	"	"	"	5
85. Lack of capital	"	"	"	"	"	"	"	5
86. Lack of capital	"	"	"	"	"	"	"	5
87. Lack of capital	"	"	"	"	"	"	"	5
88. Lack of capital	"	"	"	"	"	"	"	5
89. Lack of capital	"	"	"	"	"	"	"	5
90. Lack of capital	"	"	"	"	"	"	"	5
91. Lack of capital	"	"	"	"	"	"	"	5
92. Lack of capital	"	"	"	"	"	"	"	5
93. Lack of capital	"	"	"	"	"	"	"	5
94. Lack of capital	"	"	"	"	"	"	"	5
95. Lack of capital	"	"	"	"	"	"	"	5
96. Lack of capital	"	"	"	"	"	"	"	5
97. Lack of capital	"	"	"	"	"	"	"	5
98. Lack of capital	"	"	"	"	"	"	"	5
99. Lack of capital	"	"	"	"	"	"	"	5
100. Lack of capital	"	"	"	"	"	"	"	5

1) Search for factors and list characteristics listing used from SIC/1980  
 2) Review survey of DS staff

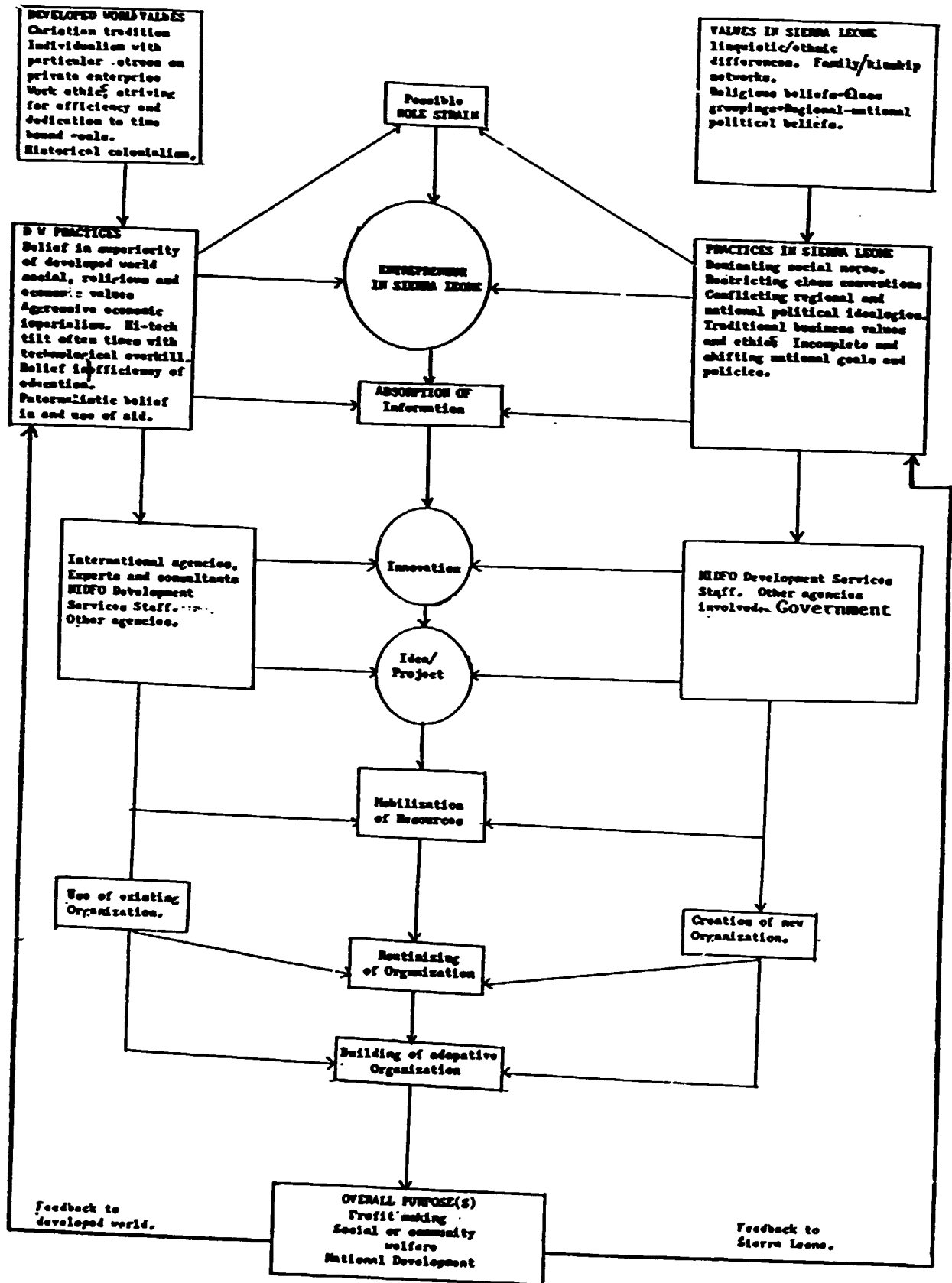


Fig.2 - Entrepreneurship Model in Sierra Leone

**REPORT ON FIRST SEMINAR/WORKSHOP ON ENTREPRENEURSHIP ORGANISED FOR THE DEVELOPMENT SERVICES SECTION OF NIDFO UNDER THE AUSPICES OF DR. H.R. FAJARDO (EDP EXPERT)**

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1.0 DATE: FRIDAY, MARCH 1, 1991

2.0 TIME: 2.00P.M. - 4.00 P.M.

3.0 PARTICIPANTS/ATTENDANCE

1. Mr. R.B. Johnson (Officer-in-Charge, Dev. Services)
2. " S. Hans-Kawa (Development Officer)
3. " S.J.B. Allieu (Industrial Engineer)
4. " H.A. Gabisi (Extension Worker/Mechanical)
5. " C.A. Nicol ( " "/Electrical)
6. " H.S. Bangura (EDP Specialist)
7. " A.Y. Kargbo (Officer-in-Charge, Fin. Services)
8. " Oppong Mensah-Aborampah (UNV-EDP Specialist)
9. " D.A. Gunawardana (UNV-Mechanical Engineer)

4.0 OBJECTIVE:

The EDP Specialist indicated the objectives of the Seminar/Workshop as:-

\* To arrive at an acceptable definition of 'Entrepreneurship' and 'Entrepreneur' for the purpose of NIDFO's operations.

\* To establish a common concept of entrepreneurship development.

5.0 METHODOLOGY:

A participatory/<sup>approach</sup>with all participants' involvement under the coordination of the EDP Expert. Workshop papers were distributed to the participants two days before.

6.0 ISSUES DISCUSSED AND CONCLUSIONS MADE

6.1 Entrepreneur and Enterprise:

The EDP Expert mentioned that the focal point of NIDFO should be on the 'Entrepreneurs' and not the 'Enterprise'. It is the developed entrepreneur who could transfer the knowledge acquired to transform the character of the enterprise. It was agreed therefore that

emphasis be laid on the behavioral aspects that will make the entrepreneur successful.

6.2 Definition of 'Entrepreneurship' and 'Entrepreneur' to Serve the basis of NIDFO's Operations

The EDP Expert had made an observation that NIDFO has had no universally accepted and documented definitions of these terms which are critical to the achievement of the organization's objectives.

She reiterated that various authors/ authorities had defined the concepts differently based on what they considered to be the most applicable criteria at that given time and within that business environment. This fact underscores the need to adopt our own definitions.

She discussed some definitions by Joseph Schumpeter (1934), Arthur Cole (1940), John Sawyerr (1958), Albert Shapero (1975).

Based on active participation by each participant the following definitions were formulated:-

6.2.1 Entrepreneurship:

A purposeful activity involving innovation, organisation and combination of resources and calculated risk-taking towards the achievement of a profit-oriented undertaking.

6.2.2 Entrepreneur:

One who successfully undertakes a purposeful activity through, innovation, organisation and

combination of resources and calculated risk-taking to achieve a profit-oriented enterprise.

6.3 Determination of Entrepreneurial Characteristics that may constitute success factors

The EDP Expert mentioned that the concept of entrepreneurship development needs to start from an identification of specific or group of characteristics that a potential entrepreneur may possess or exhibit.

Entrepreneurship opinion survey (No.1) conducted earlier had identified the following as the typical characteristics leading to success:-

- (i) Self-confidence;
- (ii) Perseverance, determination;
- (iii) Energy diligence;
- (iv) Ability to take calculated risk
- (v) Need to achieve;
- (vi) Versatibility, knowledge of product, market, machinery and technology;
- (vii) Ability to get along well with people;
- (viii) Initiative;
- (ix) Responsiveness to suggestions and criticism;
- (x) Foresight;
- (xi) Profit orientation

Another survey (No.3) had been undertaken to rank these characteristics in order of importance. According to the EDP Expert, the results of the first round of this survey could not give a decisive ranking as the variations in ranking by the respondent had been quite substantial. To this end another round of the same exercise was conducted. The responses were however not tabulated immediately.

The results of a second survey to establish basic assumptions for entrepreneurship development was discussed. These assumptions which were unanimously accepted were that:-

- Not everyone can be an entrepreneur. An individual must have certain traits in order to be a successful entrepreneur.
- The traits required for successful entrepreneurship are identifiable and measurable through psychological tests and certain social indices.
- Persons who possess these traits and social indices on a certain scale will be more successful than those not having them on that scale.
- Persons who possess such traits or show evidence to possess them can be trained to further develop them on those as well as other dimensions of entrepreneurship.

6.4

#### Entrepreneurship Model in Sierra Leone

A diagrammatic model involving comparative information on Developed World values and practices and those of Sierra Leone; as well as international agencies and experts that might affect NIDFO's task of developing entrepreneurs and helping them to identify projects and assist their implementation, was discussed.

It was suggested by a participant (Gabisi) that this model may stretch to cover influences from

other leading developing countries instead of limiting the comparative study to that of the developed world. The EDP Expert accepted to modify the model to reflect this suggestion.

6.5

Entrepreneurial Event Formation Flow Chart explained and discussed:

This flow chart was used to illustrate various levels of education. (Higher Education, Lower Formal Education, Technical Education, Vocational Training), Apprenticeship, and work experience may influence the generation of entrepreneurs in an economy.

The various levels of entrepreneurs identified from the chart are:-

- \* Rule of Thumb Entrepreneur
- \* Informed Entrepreneur
- \* Sophisticated Entrepreneur
- \* Mathematically advised entrepreneur.

From the discussions, it was agreed that the bulk of NIDFO's target group fall within the Rule of Thumb Entrepreneur classification. The task of NIDFO is to transform them from that level to Informed Entrepreneurs.

It was an agreed assumption that highly educated individuals may enter into business without necessarily soliciting technical and financial assistance from NIDFO.

It was also established that the level of education may not be a key determining factor to entrepreneurial success.

The EDP Expert emphasised the need to undertake frequent research to collect more information about the entrepreneurs being assisted.

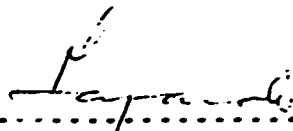
Also the various sectors will have to be carefully studied and reliable data gathered and banked. OIC-DS indicated that the creation of a data bank in this respect has been planned to be accomplished in the course the year.



(OPPONG MENSAH-ABORAMPAH)  
RAPPOREUR

ATTESTED: 

W.B. JOHNSON  
OIC-DEVELOPMENT SERVICES  
NIDFO



DR. H.R. FAJARDO  
EDP EXPERT



WORKSHOP NO.1 - ENTREPRENEURSHIP

1 MARCH, 1991

NIDFO-DEVELOPMENT SERVICES

ATTENDANCE:

- |    |                         |   |                         |
|----|-------------------------|---|-------------------------|
| 1. | R.A.B. Johnson          | - | OIC-DS                  |
| 2. | Samuel Hans-Kawa        | - | Development Officer     |
| 3. | Hassan S. Bangura       | - | EDP Specialist          |
| 4. | Oppong Mensah-Aborampah | - | UNV-EDP Specialist      |
| 5. | D.A. Gunawardana        | - | UNV-Mechanical Engineer |
| 6. | C.A. Nicol              | - | EW/Electrical           |
| 7. | Sahr J.B. Allieu        | - | Industrial Engineer     |
| 8. | A.Y. Kargbo             | - | OIC- Fin. Services      |

SEMINAR/WORKSHOP ON CHARACTERISTICS  
OF ENTREPRENEUR LEADING  
TO SUCCESS

Friday, 8 March 1991

2.00 - 4.00 p.m.

During the Seminar/Workshop on Entrepreneurship conducted last 1 March 1991, it was perceived that there are doubts on the validity of the short-listed characteristics of the entrepreneur that lead to success.

The doubts projected are in the following areas:

1. The frequency distribution of identified characteristics may be biased towards those choices in other countries with a different environment from Sierra Leone (Gabisi).
2. The characteristics arrived at may not be comprehensive enough as only eleven (11) out of the forty three (43) listed are included (Johnson).

In order to dispel such doubts and to assure that identified characteristics are acceptable to all concerned, the next seminar/workshop will be on this matter.

I. OBJECTIVES

1. To establish the target of the entrepreneurship development programme (EDP) of NIDFO
2. To identify measurable characteristics of the entrepreneur that lead to success; and
3. To sort out which of these characteristics may be developed through motivation and behavioral training and which may be developed through management and/or technical skills training.

II. PARTICIPANTS

1. OIC, Development Services
2. Development Officer
3. UN Volunteers
4. Extension Workers
5. Other staff of NIDFO who may be interested and accepted by OIC, Development Services.

EDP TARGETS

The Sierra Leonean Entrepreneurship Development Programme (EDP) is directed at individuals already in business who exhibit potential characteristics for success. The entrepreneurship development officer has the job of spotting entrepreneurial talents or looking for people who show promise as small-scale enterprise owner-managers identified as the entrepreneur.

Other EDP agencies or institutions elsewhere have specific targets for their programmes. To cite a few:

1. The EDP in Bangladesh is meant for unemployed young people from 19 to 30 years of age, who have finished at least secondary school.

Applicants are assessed on three characteristics, namely:

- i. Common Sense - as indicated by preference to start a business rather than to work, and by knowing the details of his proposed business.
  - ii. Optimism/Pessimism as indicated by plans of action he shall take on the business, particularly in the face of problems such as when workers strike or the factory location is unsuitable.
  - iii. Risk-Taking - as indicated by minimum amount of odds for success the person will tolerate before undertaking action in a certain situation.
2. The Malaysian EDP is aimed at assisting interested Bumiputras (indigenous Malays) from graduates of vocational and training institutes, ex-army and police personnel who have had technical experience, youths with vocational training, graduates of higher institutions or other groups.

Applicants are screened based on the following factors and weights:

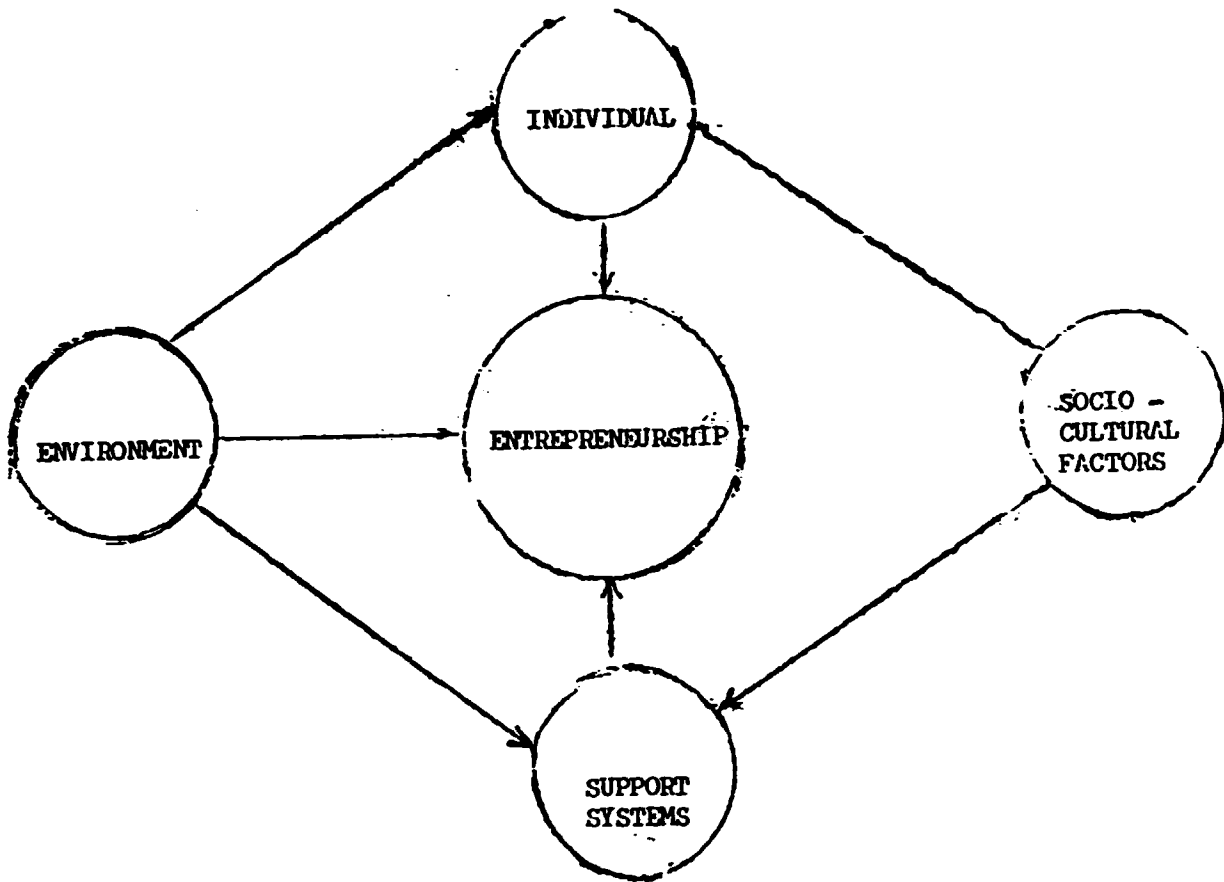
<u>FACTORS</u>	<u>POINTS</u>
Achievement motivation	30
Attitude/self confidence	20
Interest	15
Experience and Exposure	10
Skills	10
Academic qualification	10
Others	5
Total	<u>100</u>

3. The Philippine EDP was offered to the general public. Applicants were assessed on three general factors:

- i. Readiness for entrepreneurial role - as indicated by his age, educational background, work experience, business experience, concreteness of business plans, type of business operation, financial resources, equity participation, source of encouragement and support regarding entrepreneurial plans, sibling position and endurance.

- ii. Personality Characteristics - as measured by scores on tests tapping intelligence, inquisitiveness, boldness, decisiveness, persistence/perseverance and risk-taking.
  - iii. Motivation for attending the EDP - as indicated by the time he first thought of going into business, reasons for wanting to go into business and willingness to attend the course (necessitating leaving the business for a time).
4. The EDP in Thailand is also offered to the entire populace . Applicants are screened based on:
- i. Readiness for entrepreneurial role - as assessed from family background, educational attainment, work and business experience, business plans and financial resources.
  - ii. Motivation for entrepreneurship - as revealed by his reasons for becoming an entrepreneur, entrepreneurial potentials, and desire to participate in the programme.
  - iii. Entrepreneurial traits - as measured by scores on tests on need for achievement, risk-taking, need to influence, optimism, and other relevant traits.
5. The EDP in Indonesia does not attempt to identify for selection those with entrepreneurial talent but rather those who have the greatest need for EDP training.

The basic rationale for selection was the need to identify businessmen who required government assistance. The primary criteria for accepting candidates therefore, were identified deficiencies in resources, know-how, and entrepreneurial talent among the candidates.



THE INDIVIDUAL

The entrepreneur as an individual takes the decision to start or not start an enterprise. It is he who strives to make it a success. It is necessary, therefore, to understand the various factors which influence the individual. The three main factors which influence the individual behavior are his/her motivational factors, the factors concerning various skills that the entrepreneur possess and the factors relating to his knowledge of several relevant aspects that are likely to contribute to success of the entrepreneurial roles.

Motivational factors

- Entrepreneurial motivation
- Personal efficiency
- Coping capability

Skills

- Project Development
- Enterprise Management
- Enterprise Building

THE ENVIRONMENT

- Economic policies of government
- Industry information
- Technology

SOCIO-CULTURAL FACTORS

Normative behavior

- Family Expectation and Pressures
- Risk-Taking
- Self-Reliance
- Work values

Socialization

- Independence
- Initiative
- Risk-taking

SUPPORT SYSTEMS

- Extension Service
- Training, management/technical
- Information

GROUPING OF ENTREPRENEURIAL  
CHARACTERISTICS

- I MOTIVATIONAL/BEHAVIORAL
- II TASKS/FUNCTIONS
- III KNOWLEDGE/SKILLS

REPORT ON SEMINAR/WORKSHOP (2) ON 'CHARACTERISTICS  
OF ENTREPRENEUR LEADING TO SUCCESS' ORGANIZED UNDER  
THE AUSPICES OF DR. H. R. FARARO - EDP EXPERT

1.0 DATE & TIME: Friday March 8, 1991; 2.00 - 4.00 p.m.

2.0 ATTENDANCE

- |    |                            |   |                            |
|----|----------------------------|---|----------------------------|
| 1. | Mr S. Hans-Kawa            | - | Development Officer        |
| 2. | Mr Sahr Allieu             | - | Industrial Engineer        |
| 3. | Mr A. H. Gabisi            | - | EW - Mechanical            |
| 4. | Mr C. Nicol                | - | EW - Electrical            |
| 5. | Mr D. A. Gunawardana       | - | UNW - Mechanical Engineer  |
| 6. | Mr Oppong Mensah-Aborampah | - | UNW - EDP Specialist       |
| 7. | Mr R. B. Johnson           | - | OIC - Development Services |
| 8. | Mr H. S. Bangura           | - | EDP Specialist             |

3.0 OBJECTIVE

- 3.1 To establish the target of the entrepreneurship development programme (EDP) of NIDFO.
- 3.2 To identify measurable characteristics of the entrepreneurs that lead to success; and
- 3.2 To sort out which of these characteristics may be developed through motivation and behavioral training management and/or technical skills training.

4.0 ISSUES DISCUSSED AND CONCLUSIONS MADE

4.1 Policy Targets for NIDFO'S EDP

Under the leading questions of the EDP Expert, the following policy framework guiding the identification and selection of potential beneficiary - entrepreneurs were mentioned and discussed.

- 4.1.1 That they must be located in the Western Area (i.e. Freetown and around). It was agreed that it stands to reason to have limited operations to only the Western Area initially. On the same note it was observed by the EDP Expert that most entrepreneurs visited and interviewed were identified to be migrants from the provinces.

4.1.2 Employment Criteria of 1 - 5, and 6 - 30 for Artisanal and Small Scale Industries respectively. It was noted that the employment criteria had been widened from 6 - 15 to 6 - 30 in the case of Small Scale Industries.

4.1.3 Entrepreneurs to be identified within the 7 sectors - (namely: Textile, Food Processing, Mechanical, Electrical, Leather Works, Metal Works, Others). The EDP Expert mentioned that she had been made to understand that the reason for that policy was that 85% of entrepreneurs had been found to be in those categories.

The need to promote NIDFO's activities to the public was emphasized to serve as the basis for identifying more potential entrepreneurs with minimum stress on the Extension Workers.

The need to market NIDFO through identified Entrepreneurs. It was agreed that the screening criteria may be reviewed such that the drop-out rate may be minimized. It was illustrated that the drop-out may constitute a de-marketing tool for our operations.

4.1.4 Aged brackets of Entrepreneurs. EDP Expert indicated that though it is not specifically stated as a policy entrepreneurs dealt with fall between 55 years and below. The reason adduced by one participant was that of low life expectancy rate in Sierra Leone

4.2 Identification of more Entrepreneurial Characteristics leading to success. At workshop (1) we had arrived at 11 characteristics. But Mr Johnson (OIGLDS) had observed that these might not be comprehensive enough as only eleven (11) out of the forty three (43) listed were included..

It was therefore agreed to match the rest to verify whether or not they fall within those already identified. As a result of this exercise the following more characteristics were added:



1. Intelligence
2. Time competency - efficiency
3. Ability to make decision
4. Perceptiveness
5. Innovativeness

This brings the total to sixteen (16) characteristics identified which may lead to entrepreneurial success.

4.3 Selection Criteria needed to capture the best entrepreneurs within the target group. The check list for the final screening selection was critically discussed. However, she questioned how the rating 5, 4, 3, 2 are allocated to the various factors. Participant who had sat on the screening panel explained how "questions are asked to assess the entrepreneurs at the screening interview"

It was generally appreciated that the criteria in general sound rather subjective. It was therefore suggested and agreed that we investigate the possibility of using measurable basis as much as much as possible to rate entrepreneurs applying the 16 characteristics leading to success identified earlier on. Participants were allocated 2 characteristics each on which to establish possible question for the selection interview.

4.4 Grouping of Entrepreneurial Characteristics. The identified characteristics were grouped under:

1. Motivational behavioral
2. Task/functions
3. Knowledge/skills.

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Opong Mensah  
Rapporteur

ATTESTED BY:

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Dr. J.R. Fajardo  
EDP Expert

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Mr. S. Hans-Kawa  
Development Officer

SEMINAR/WORKSHOP ON IDENTIFICATION AND SELECTION OF  
ENTREPRENEURS FOR NIDFO ASSISTANCE

FRIDAY, 15 MARCH 1991

2.00 - 4.00 pm

In workshop #2, 8 March, we identified sixteen (16) entrepreneur characteristics that are significant in successful business venture, and grouped them into three (3) sets, as follows:

A. MOTIVATION/BEHAVIORAL CHARACTERISTICS

1. Self-confidence
2. Perseverance/Determination
3. Energy/Dilligence
4. Need for Achievement
5. Initiative
6. Responsiveness to suggestions
7. Profit Orientation
8. Perceptiveness
9. Innovativeness
10. Intelligence

B. TASK/FUNCTION ORIENTED CHARACTERISTICS

1. Ability to take calculated risk
2. Ability to get along well with people
3. Time competence/efficiency
4. Ability to make decisions

C. KNOWLEDGE/SKILLS ORIENTED CHARACTERISTICS

1. Versatility; knowledge of product, market, machinery and technology.
2. Foresight

The task in the next workshop is to discuss measurements of the characteristics identified which will assist in the effective selection of entrepreneurs for NIDFO assistance.

## I. OBJECTIVES

1. To identify what measurable criteria will be adopted by NIDFO to optimize efforts and resource utilization;
2. To review the existing entrepreneur identification and selection process and pin-point areas for improvement.

## II. METHODOLOGY

Each participant will present his researched measurement for the assigned characteristics.

All participants will comment on the measurement instrument to establish which can be used. Likewise, the step where such measurements will be most useful will be agreed upon by consensus.

## III. PARTICIPANTS

1. CIG, Development Services
2. Development Officer.
3. Extension Workers
4. UN Volunteers
5. Other NIDFO Staff who may be interested.

### WORKSHOP BACKGROUND PAPERS

#### SEARCHING FOR ENTREPRENEURIAL TALENTS

As an entrepreneurship development officer you are a talent scout. Your task is to look for those entrepreneurs who show promise as small-scale industry owner-managers. This you must do because NIDFO money and resources must be used effectively. NIDFO would not want to waste limited financial resources nor man-hours and effort on people who are likely to fail. That is why as responsible EDP officers you must choose the people to be trained and assisted, and more importantly, those to whom capital resources will be made available.

#### SPOTTING ENTREPRENEURIAL TALENTS

There are many accepted ways of choosing your entrepreneurial talents. The reading materials in workshop #2 gave some examples of selection process as followed by the cited countries. Most agencies and institutions have arrived at their process by trial and error basis.

Let us look at the process of entrepreneurship selection in NIDFO (figure 1). As we can see the selection involves a series of steps before any applicants is admitted for entrepreneurship training. The screening is like a filtering process where the selection officers try to get the best in the lot of applicants.

Only those who pass the entrepreneurship screening should be allowed to attend the EDP training. The assumption is that they have the essential ingredients for business success and therefore, it is worthwhile developing their talents to facilitate the successful running of their enterprises.

In actuality however, some unqualified entrepreneurs find their way into EDP training. On the other hand some of those selected may skip EDP training. Another feature of this reality is that there are those who pass screening and who attend and perform well in the EDP training and yet fail in their businesses.

The selection process obviously presumes that you know who or what you are looking for. Selection seeks to identify the person with the greatest potential for entrepreneurship. In other words, to be able to select entrepreneurial talents properly, there must be some criteria.

Through workshop #2 and today's workshop we are establishing the answers to the following questions:

1. Is there a best method for selecting entrepreneurs?
2. If there is, which one is it?

#### VALIDATING SELECTION PROCESS

How do you know if the selection criteria is the right one?

A selection process is effective if it can be able to weed out those without entrepreneurial talent and take in those with talent.

Assuming that other related factors, such as having a favourable business climate, remain constant, it is believed that those with talent should be more likely to succeed than those with less or without talent.

In selection, however, errors may be committed such that those with talent may be rejected and those without may be accepted.

Good and efficient selection schemes should:

1. be able to predict business success with a reasonable degree of accuracy;
2. have more valid rejection/acceptance than invalid ones.

Although false rejection/acceptance may not be entirely eliminated, these should be minimized.

Hence the EDP Specialist must regularly monitor the entrepreneurial success and/or failure of selected entrepreneurs that are admitted to the training programmes and subsequently financed. This is called validation.

SEMINAR/WORKSHOP #4, MEASUREMENT CRITERIA FOR  
SELECTION OF ENTREPRENEURS.

In workshop #3 we were not able to identify and establish the measurable criteria to be adopted by NIDFO in the selection of entrepreneurs for assistance. Hence, each one was again asked to research on this matter.

Three (3) sets of questionnaires were submitted by:

- |                              |   |           |           |
|------------------------------|---|-----------|-----------|
| 1. OIC, Development Services | - | 12        | Questions |
| 2. EDP Specialist, UNV       | - | 10        | "         |
| 3. Mechanical Engineer, JNV  | - | <u>16</u> | "         |
|                              |   | <u>38</u> | "         |

As you may have experienced several characteristics for entrepreneurship may be measured by the same batch of questionnaires.

In order to be able to establish a fair enough test that will give NIDFO an adequate set of entrepreneur responses without taxing them too much, we shall target 8 to 10 measurable traits with 4 questions each, or a total of 32 to 40 questions to be administered for screening of the entrepreneurs to select those with entrepreneurial potentials.

Our workshop objective this time is to collectively arrive at these questions accordingly.

If you have additional questions for consideration please bring them to the workshop.