

TECHNOLOGY IN THE HP LIFE ENTREPRENEURSHIP PROGRAM: SUMMARY REPORT FINDINGS

This program note presents summary findings of an evaluation study of the global Hewlett-Packard Learning Initiative for Entrepreneurs (HP LIFE) program, conducted in China, India, Kenya, Nigeria, and South Africa in 2011–2012.

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PROMISING YOUTH DEVELOPMENT STRATEGIES

The USAID-funded Educational Quality Improvement Program 3 (EQUIP3) was a nine-year program designed to improve earning, learning, and skill development opportunities for out-of-school youth in developing countries. EQUIP3 operated under a Leader-with-Associates Cooperative Agreement that included 25 Associate Award projects in 26 countries. EQUIP3 comprised a partnership with USAID, a consortium of international partner organizations, and host country public and private institutions. The EQUIP3 consortium of international partners included Education Development Center, Inc. (EDC), as the prime, and other organizations, such as the International Youth Foundation and FHI 360 (formerly the Academy for Educational Development).

An evaluation of the HP LIFE program was undertaken to gain insight into the relevance and appropriateness of information technology (IT) tools and web-based mentoring and networking for emerging youth entrepreneurs in developing countries. Results from a literature review showed that the research base to demonstrate the true value of technology as a tool to better prepare entrepreneurs for business startup and success is minimal. Increasingly, entrepreneurship training encourages workplace simulations, role-playing, and hands-on creation of actual business plans. However, the use of technology as a platform for transmitting content or, for example, as a tool to transmit realistic simulation or real-life application, does not appear to be widely practiced. Within the literature reviewed on international

entrepreneurship programs, information technology is discussed primarily as a helpful but not a necessary skill area for micro-enterprise startup and business management.

The HP LIFE program is designed to assist micro-entrepreneurs in expanding the potential of their businesses by providing them with training on information and communication technology (ICT) skills together with business skills. Currently, the HP LIFE program partners with 340 training centers in 49 countries across the globe, reaching 1.2 million students through online activities, face-to-face training, and access to internet resources. These centers range from university-based agencies to rural community development centers to urban training institutions.

Evaluation Questions

The evaluation focused on testing two underlying assumptions regarding ICT tools on which the LIFE curriculum¹ is based:

Assumption 1: Increased application of ICT tools or software leads to improved employment and entrepreneurship outcomes among disadvantaged youth in developing countries.

Assumption 2: Technology-based tools, such as online training content and/or games, increase program effectiveness.

To test these two assumptions, EDC conducted process and outcome evaluations of the HP LIFE program. The **outcome evaluation** was conducted to test the first assumption of the LIFE curriculum and sought to answer the following questions:

1. To what extent do graduates of the HP LIFE program experience increased incomes and other benefits as a result of the training?
2. To what extent do graduates of the HP LIFE program use the ICT tools in their business, employment, or search for employment?
3. To what extent did the ICT tools prove to be relevant to youth's businesses they created or employment they found?

The study's **process evaluation** tested the second assumption that technology-based tools used as part of youth workforce development curricula increase program effectiveness and asked the following questions:

1. How relevant do youth trainees find the HP LIFE curriculum and online tools to their needs for starting or strengthening micro-businesses or finding employment?
2. How effective is the use of technology in transferring skills and information to youth trainees?

1. The LIFE Curriculum was developed by Micro-Enterprise Acceleration Institute (MEA-I) in partnership with Hewlett-Packard.

KEY FINDINGS

- The HP LIFE program was found to improve participant outcomes through improved ICT skills.** The evaluation study found the HP LIFE program to be effective in improving participant outcomes in terms of income, employability, and the efficiency of business operations. Both business owners and employed HP LIFE trainees reported small to moderate increases in income as a result of their participation in the training, with some trainees reporting an income increase of over 20% as a result of the training. Statistical analyses found strong relationships between reported income increases and improved ICT proficiency, controlling for prior knowledge of software and ICT tools. Entrepreneurs also reported decreased workload, improved accuracy of record keeping, improved efficiency of business operations, and other benefits associated with the increased use of technology as a result of the training.
 - The HP LIFE participants gained more than ICT skills from the training.** Bivariate correlation analysis showed a statistically significant relationship between HP LIFE training participants' reported increase in income and the key benefits they reported receiving from the training, including mentoring, interaction with other trainees, encouragement from trainers, and improvements in their own communication skills. In fact, according to both quantitative and qualitative data, communication skills were not only among the key skills taught by the curriculum, they were also the one area in which the majority of HP LIFE participants said they needed more training.
 - Basic ICT skills were the most helpful to employed youth and micro-business owners, while more advanced ICT skills were not considered essential to their job or business.** The evidence gathered by the study suggests that most HP LIFE trainees who are business owners or employed do use telecommunication tools and computer software daily in their job or business. They use telecommunication tools (such as e-mail and the Internet) and text-processing software (such as MS Word) most frequently, followed
- by spreadsheets software and presentation software. Only a small proportion of entrepreneurs and employed HP LIFE trainees said they use databases regularly, and a very small percentage reported using more than the basic functions of ICT tools; about half of the respondents said they only use simple functions, such as creating documents, entering text or numeric data, doing basic formatting, and printing. The majority of HP LIFE trainees consider ICT skills to be important for their job or business, although fewer than one in five think such skills are *critically* important for them.
- Face-to-face instruction with computer-based support was found to be the most beneficial mode of instruction.** The evaluation study found that the curriculum content is engaging, informative, and easily adaptable to the local contexts. Face-to-face instruction was an effective mode of instruction for all respondents, followed by practical exercises using computers. Additionally, the evaluation study found that the online program components, as they were available during the time of the evaluation, did not work as well in developing countries; reasons given were poor infrastructure (both in terms of electricity and Internet service) and the unavailability of computers. The importance of non-ICT benefits of the training to the participants, such as improved self-confidence, suggests an additional reason why the face-to-face mode of delivery was found to be effective.
 - Mentoring and encouragement were cited as important factors for female trainees in particular.** While both men and women said that they benefited from the encouragement, mentoring, and interactive aspects of the training, these were found to be especially important for women. Of the women who took the HP LIFE training, 70 percent said that encouragement was an important benefit of the training for them. Moreover, there was a correlation between reported increased incomes among female trainees and the benefit of mentoring experienced during the HP LIFE training.

IMPLICATIONS FOR YOUTH ENTREPRENEURSHIP TRAINING PROGRAMS

The report's findings, which confirm existing knowledge as well as reveal new information about effective youth entrepreneurship programs, have useful implications for the design and implementation of future entrepreneurship programs.

- The importance of **ICT skills** for aspiring entrepreneurs, as well as young people seeking employment, should be recognized and incorporated in entrepreneurship programming in a way that is appropriate for each local context. The evaluation findings emphasize the particular importance of telecommunication tools, text-processing software and spreadsheets software as these were most frequently used by trainees and reported as the most useful to them.
- The evaluation findings highlight the importance of **life skills**, such as communication skills, for both potential entrepreneurs and job seekers. This confirms program experiences that have also found life skills training to be a valuable complement to both vocational and entrepreneurship training. In addition, as the report findings highlighted, the trainees most valued communication and basic management skills among the life skills needed for their work or business. As life skills curricula are adapted for entrepreneurship training, emphasis should be given to these training modules.
- The report's finding about the importance of **mentoring for women** builds on research that shows the value of mentoring on increased self-efficacy for both men and women. The finding suggests not only the need to ensure there is a mentoring component in entre-

preneurship training, but also that female entrepreneurs often need specific support and encouragement, as well as role models. Program experience from the USAID-funded EQUIP3 youth program and other international youth programs in developing countries shows that different factors affect female youth's motivation and capacity to successfully launch and maintain a business. These include sociocultural norms that may negatively impact young women's self-confidence, constrained access to credit, or social stigmas around self-employment. Trainers, community mentors, and program alumna can serve as positive role models for young women and assist them in navigating the challenges involved with self-employment.

- While the report's findings support the assumption that training is valuable for entrepreneurs and job seekers, they also confirm the importance of other **non-training elements** to entrepreneurs, such as information on linkages to financing, and follow-up support. Youth programs are more likely to be effective in assisting young people enter the workforce if they offer youth a package of services that includes but is not limited to training.²
- While the online content in the current HP LIFE program is supplemental, the evaluation findings emphasize the benefits of the **face-to-face mode of delivery** over the online mode, particularly in environments where poor telecommunications infrastructure prevents full access to online resources. As programs seek opportunities to replicate effective training methods using online platforms, they should explore ways to offer non-training benefits of the program, such as mentorship and the exchange of ideas among participants in an online-mediated training environment or through supplemental face-to-face exchanges.

2. Education Development Center, Inc. (2012). EQUIP3 lessons learned: *Experiences in livelihoods, literacy and leadership in 26 countries*. Washington, DC: US Agency for International Development.

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