

## Chapter 10

# Educating a New Generation of Sustainable Leaders by Working with Social-Impact Founders in Africa

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### Business schools – still part of the problem or already part of the solution?

Business schools can play an important role in the mindset formation of a new generation of business leaders. In particular, they influence the self-concept and professional identity of their graduates:

- in the way they describe and portray the main entrepreneurial challenges in their courses;
- with the type of case studies, business games or lecture topics they suggest;
- through the guest speakers from BusinessLIVE they invite;
- with student engagement opportunities, internships or service-learning facilities they implement; and
- more generally, by the cultural flavor which their theories and concepts are enfolding both directly and indirectly.

In particular, these and other instruments of b-school curriculum frame what students perceive as truly 'professional' business practice.<sup>1</sup> Moreover, they help them to define their own personal role in the economic, cultural and social transformations of their regional and national society. However, it is particular here, that business schools – voluntarily or involuntarily – may also contribute to a profound cultural alienation of their students. As it has been discussed for years now, educational systems in general and business schools in particular do not always prepare students well for assuming their role as responsible leaders in society; nor do they support them in contributing effectively to the sustainable development in their community and/or country. For MBA programs, this shortcoming was already explicitly discussed before and after the financial crises (see, inter alia Pfeffer & Fonk,<sup>2</sup> Ghoshal,<sup>3</sup> as well as Bachmann et

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1 Khurana, 2007.

2 Pfeffer & Fonk, 2002.

3 Ghoshal, 2005.

al.<sup>4</sup> for a summary). More precisely, the abstract scientific character and the lack of practical wisdom in their teachings have been criticized. Few publications expressed that criticism as drastically as the (posthumously published) article of LBS Professor Samantha Ghoshal entitled *Bad Management Theory is Destroying Good Management Practice*.<sup>5</sup> In particular, Ghoshal's argument is referring to economic theories of organization. For example, Jenssen & Meckling's influential *Principal-Agent-Theory*<sup>6</sup> is modelling employees as opportunistic 'agents' longing to exploit their corporate 'principal'. Consequently, a 'professional' employer is supposed to incentivize and/or control employees in order to channel their opportunism. Once a student's mind-set is affected by these kinds of mainstream business school instructions, however, managers as employers may treat real-world employees exactly as distrustfully as they were instructed to do during their b-school time.<sup>7</sup> This behavior may (probably) still make some sense in the anonymous atmosphere of a large company in the context of the US 'hire-and-fire' culture; it would rather destroy, however, the corporate culture of a family firm in a more collectively minded national culture in Africa, Asia or Latin America. This holds especially true in emerging economies, in which teaching materials, conceptual building blocks and mind-sets of the so-called 'developed' world dominate business school instruction – thereby depriving students of their own social and economic traditions.

Following this line of thought, like everywhere else in the World, also in Africa, Business Schools are not always well equipped to prepare their graduates for running a business in their own country. On the contrary, after finishing the b-school years, graduates may even find it harder to adapt to the necessities of clients, employees, business and the socio-cultural environment. Business is portrayed in text-book and journal literature mostly authored by Western authors, who are guiding their empirical studies and selecting their reference models mostly from their own culture. Moreover, and probably even more problematic: practitioners and external presenters introduced in courses and seminars often also reproduce the dominant Western business culture. As a result, business school students in the Southern Hemisphere are threatened by alienation from their cultural origins. More precisely, habits and action patterns may be reproduced, which may indeed negatively affect employment, business cultures and economic development in Africa. Ultimately, depending on their career path inside of the organization, young business leaders together with their families may even end up in the US, in the UK, in Germany or in another developed country. In order to counteract this latent but nevertheless strong tendency, *African business schools should create learning spaces, courses and programs, which help graduates*

4 Bachmann et al., 2017.

5 Ghoshal, 2005.

6 Jenssen & Meckling, date missing

7 Ghoshal, 2005.

*to consider an alternative career as (Start-up) Entrepreneur in their own country.* For that purpose, case studies and business examples in teaching and research are required, which help them to keep in touch with their own countries' norms, values and 'wisdom-traditions' as well as their most relevant SDG problems and challenges.<sup>8</sup>

## **Entrepreneurial ecosystems: working with Social-Impact Start-ups**

It is precisely here that action learning formats with local start-up companies come into play. An increasing number of Social or Social-Impact Entrepreneurs are popping-up across Africa; these are young local entrepreneurs, who figured out business solutions not modelled after the necessities of Western developed economies but rather addressing the needs and business situations of their own African contemporaries. In particular, they are often substituting (or helping to cope with) a lack of public infrastructure – for example, bringing together suppliers and clients on digital platforms, providing remote health care solutions, improving the productivity of traditional food-gathering methods, addressing the needs of clients who find themselves excluded from financial or insurance markets, etc. In that context, those entrepreneurs mostly develop management, marketing, recruiting or stakeholder communication methods, which are particularly adapted to their own cultural and economic position. In other words, low-budget social-impact founders often draw on the social or cultural capital of their socio-cultural environment – thereby making use of their knowledge as citizens. Consequently, in order to overcome the above-mentioned challenges of cultural alienation and to orientate a future generation of business leaders towards the business chances waiting for them in their own country, postgraduate educational (MA, MBA or EMBA) classes should consider working with and for social-impact entrepreneurs across Africa. The latter may indeed also profit from this kind of learning partnerships. What precisely would they learn from business students, however?

Many social-impact founders indeed possess a professional background as technician, natural scientist etc. Consequently, they spend a lot of time and energy on caring for their product. What is then mostly lacking, however, is applied business knowledge, for example, familiarity with marketing or scaling strategies, basic financial skills etc. It is here, that (advanced) business students could make a large difference; connecting groups of students with a start-up founder does indeed help both sides. Students are motivated when, despite seeing their essays ending up in the dustbin after class, they are enabled to support a real-world entrepreneurial person. For example, they may challenge the business model, develop a market-entry concept, lay the ground for a 'make-or-buy' decision, design marketing or social media contents etc. Action-Learning theory tells us that active problem-solving is the most effective instrument

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8 Habisch & Schmidpeter, 2017.

for acquiring knowledge and reflection; therefore, working with social-impact start-up entrepreneurs, who are struggling in real-world business situations, is delivering exactly that! Complementarily, founders may serve as an anchor person for the students – nudging them to also consider a similar career themselves! Moreover, quick feedback from the founder may channel the students' search for innovation – helping them to avoid losing time for unnecessary mistakes. Moreover, another tangible advantage is generated if these partnerships take place in an international context. For example, if an eMBA or MBA class in a South-African graduate school of business collaborates with a start-up from Ghana, Ethiopia or Kenya, students, beyond doing general business consulting, may also support founders with their insider knowledge concerning particular health or food markets institutions in their country. Herewith, confronted with an instruction to 'bring this product to your country' students may – based on their own local knowledge – develop sophisticated strategies. These may include, for example, a recommendation, as to which organization would have to be addressed first, which (explicit or implicit) rule has to be followed when dealing with them, which location would fit best etc. As a result, based on the quality of these proposals and contributions, founders may even decide to accept a student or student-team as local franchise taker, who would implement their plans to introduce the respective product or service into that country. Thus, a learning partnership could also luckily result in long-term business cooperation.

Even if mutual gains therefore seem possible from these kinds of partnerships, they nevertheless also face substantial challenges. One of the most salient ones results from the very different contexts and realities partners are living in. More precisely, the social-impact founders find themselves confronted with the – more or less urgent – necessity to deliver profit in order to refinance their organization. On the one hand, this may pique their interest in getting support and advice from the student groups. On the other hand, however, their ability to patiently support students in their learning process remains naturally limited. In contrast, students live in the somewhere imaginative world of a more or less isolated learning environment. They usually take it for granted to tread staff and clinical professors as (empowering) 'learning environment', which is dedicated to support them in their apprehension process. Consequently, they tend to ignore the high opportunity costs founders face when explaining them details of their business model. The missing synchronicity of the partners often results in substantial challenges for the cooperation process – with students' shortcomings of serious engagement and Entrepreneur's unwillingness or lack of time to instruct them accordingly.

Which are the guidelines organizers of these programs should therefore follow?

1. Priority should be given to the careful selection of Start-up-partners, whose products or services are technically ripe and elaborated enough to profit from serious business knowledge. If students perceive their engagement to make a real difference, they are stronger motivated; complementarily, founders confronted with innovative and challenging ideas are more curious and dedicate more of their precious time and energy to the academic contact.
2. Moreover, the interaction and exchange between both parties should be carefully prepared and administered by program managers; on the one hand, they have to prevent that students 'overuse' the scare resource of founder's willingness to answer questions or comment on proposals. On the other hand, nothing frustrates students more than not getting any feedback from 'their' founder after weeks and months of work. Therefore, organizers should make sure that with joining the program, founders also accept the duty to spend at least 90 minutes for an initial exchange with their student group and subsequently at least 20-30 minutes every 2-3 weeks in order to answer questions or feedback on proposals. On the contrary, students should not contact founders outside of designated communication slots.
3. Finally, it can make good sense to embed the cooperation between founders and students within an overall support landscape. In our case, the Social Innovation course series executed by Catholic University's Entrepreneurship MA specialization corresponds with a dedicate program of BAYER Cares foundation, Leverkusen, which aims at identifying and effectively supporting Social Impact Start-up founders. Hence, social-impact start-up (SIST) entrepreneurs financially are supported financially by Bayer Cares Foundations' "Grants4Impact" program and are additionally provided with assistance from Master students for working on their specific challenges and problems. This could happen either in a classroom setting or in the context of a thesis topic executed by a MA student in an action-learning format during 6 months. Most of the SISTs are either native Africans or are active in the continent. The Bayer Cares Foundation usually provides financial assistance for a duration of 24 months to support SISTs in the development of their business ideas. This architecture supports the continuous mutual engagement of founders – recipients of foundation money.
4. Of a similar importance is also the sound implementation of the cooperation courses in the teaching programs of the b-school. For KUEI MA students in the specialization of 'Entrepreneurship of Social Innovation', for example, the course series represents an obligatory module, which in addition is taught by the coordinator of the program. Such a deep implementation into the curriculum proved to be advantageous in many respects. It increases the visibility and attractiveness compared with a mere selective course or a cooperation organized

and run as an additional, extracurricular activity only, which rank much lower in the internal priority list of postgraduate students.

5. According to the United Nations Principles of Responsible Management Education (UN-PRME), the orientation of b-school teaching and research towards the UN Sustainable development goals represents an important goal. Implementing Partnerships with Social Impact start-ups into the curriculum may indeed help to redirect the orientation of African innovators and industry leaders towards Sustainable development.

## **Conceptual perspective: the role of entrepreneurial initiative for social innovation in Africa**

As shown above, enriching entrepreneurial ecosystems in universities (and especially in postgraduate courses) by implementing partnerships of students working for Social impact Start-ups may ultimately boost Social Innovation for Sustainable development in Africa.

This is precisely where the latest work of Harvard Professor *Clayton Christensen* together with his co-authors *Efosa Ojomo* from Nigeria and *Karen Dillon* comes in. In their actual book entitled *The Prosperity Paradox. How Innovation can Lift Nations Out of Poverty*,<sup>9</sup> these authors further elaborated the Innovation concept presented already in Christensen's earlier work on the *Innovation Dilemma* published in 1997. Although he had therein coined the influential concept of 'disruptive innovation', the coauthors of the actual book did no longer use it but instead coin the term 'Market creating Innovations'. Hence, they focus more on the macroeconomic dimension of Innovation and spell out its consequences for the context of development in transition economies. The authors emphasize the (potential) role of start-up entrepreneurs to 'convert non-consumers into consumers', thereby driving socio-economic change in their countries.

In line with this argument, Christensen, Ojomo and Dillon also deplore the predominance of institutional economics in developing country research. Their argument here is not, that institutions would not play an important role for the sustainable development of a country. Rather they oppose an exclusive focus of donor organizations on reforming institutions (for example by anti-corruption laws, implementing democratic decision making etc.) to the expense of supporting 'market-creating' entrepreneurs. Christensen, Ojomo and Dillon illustrate this argument with a sideways glance at the economic history of the US, here. During the 1890s, the country could definitely be characterized as a corruption and crime-ridden economy; however, at the same time

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9 Christensen, Efosa & Dillon, 2019.

these years also marked one of the most vibrant economic growth periods in human history. US Americans witnessed spectacular market creating innovations like the Ford company's famous T-model that boosted car usage; or the introduction of the light bulb by Thomas A. Edison. Moreover, when the US economy prospered later on, citizens and voters have successfully 'pulled in' compliance and legal structures curbing corruption. It seems therefore, that even today's successful Western countries had never really solved their compliance and crime problems before starting their impressive growth trajectory. Rather complementarily, successful 'market-creating innovations' brought about new jobs and infrastructure; the latter then enabled them to grow a political and societal momentum, which 'civilized' their business transactions and created institutional and social capital. Therefore, as Christensen and his co-authors make impressively clear, market creating innovation may substantially foster social and economic development in Africa. Essentially, this is because it implies the perception of poor people as 'non-consumers' who could be turned into consumers if products and services address their specific living conditions and are therefore successful on the market.

Not all the aspects and implications of the complex book of Christensen, Ojomo and Dillon can be reproduced, here. However, even what has been mentioned so far already retains important implications for business education – especially in Africa, where large parts of the continent are still impoverished and nevertheless many young people with Entrepreneurial ambitions strive for the realization of their projects. Therefore, if we follow the authors and perceive market creating innovators as an important driver of economic development: then *Business schools could play an important role for supporting these people*. For example, most Social-Impact Start-ups the Bayer Cares Foundation (BCF) works with, are either native Africans or are active on the continent. However, in the context of their home countries, these founders often have no access to any kind of assistance, logistical or financial support. For sure, donor institutions like Foundations can play an important role, here. Beyond capital, however, what founders really need is strategic or organizational support, as advanced business students can already provide it: the following example may provide some evidence about that.

One of BCF's 'Grants for impact' winners is the Ghanaian software developer Raindolf Owusu, who established the "BISA" App in his home country. More precisely, this app enables people from remote rural areas to make a first contact via mobile phone with doctors, who volunteer for that purpose. The basic idea is already expressed by the organization's title - as "BISA" is the Ghanaian word for "questions". Statistics estimate that in Ghana, there is just one doctor for approx. 8,500 people; in addition, many people from the countryside live in regions that are more than a day's walk away from the nearest doctor or hospital. Consequently, rural dwellers not only suffer



from poor access to fundamental health and medical services, but rather also have to learn and decide which doctor to turn to before they set out. "Ghana has a very young population and smartphones are widely spread and also used in everyday life, for example for making payments. This means that you can reach a large number of people via an app", explains the Master student Marco Miglietta. In the context of the 'Social Innovation I' seminar, Raindolf Owusu entrusted him and other fellow students with the task of finding a way to also include Foreign doctors as initial contacts for BISA users in order to reduce their waiting times. In their subsequent research, the students found out that especially retired doctors and medical students form a suitable target group for BISA - as they might be more likely to participate in the initiative. On that background, the students recorded a video in which they provided a brief overview on BISA and its background in order to support the operator of the app in approaching prospective volunteers. "We are always looking for doctors who would like to support us. The work carried out by the students, which we incorporate in our concept, is a valuable contribution when it comes to finding and recruiting additional practitioners", emphasizes BISA founder Raindolf Owusu. For the support video recorded by our Master students for their SIST partner.<sup>10</sup> One result of that communication tool is a contact with a Dutch hospital group, which – according to Owusu – brought him in contact with several new doctor-volunteers.



*Picture 1: Student groups used the kick-off event in Berlin for intense discussions with the social entrepreneurs supported by the Bayer Cares Foundation.*

Another student group has established a collaboration with the Berlin-based Start-up company "COOLAR", which developed an innovative cooling system for use in African countries – mainly to adequately store drugs and vaccines. Conventional refrigerators depend on a reliable, stable power supply and make use of compressors, which wear out quickly in harsh conditions. On the contrary, the COOLAR devices do require neither electrical energy nor movable parts. Instead, the inventors of the system make use of the cooling produced during evaporation and use a special gel in

<sup>10</sup> see <https://www.youtube.com/watch?v=sivnOH3y77s&feature=youtu.be>



order to keep the cooling circuit up and running. Catholic University Master student Sarah Kühne and her team have supported the project by analyzing whether the production should be entirely taken over by the developers themselves or whether parts of the production process can be outsourced to African production sides. For that purpose, they extensively consulted with experts from the industry nationally and internationally. Ultimately, they recommended COOLAR to having the cooling device assembled in the African country of destination, which allows them to also create jobs in the local production chain. In addition, they calculated the most cost-efficient way of production and set up a purchasing strategy. "In particular, aid organizations and governments are potential buyers of this cooling system" Sarah Kühne and her team found out during talks with the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ), an organization of the German government. Finally, COOLAR co-founder Christoph Göller summarized: "My team and I were really impressed by the students' work. They make it a lot easier for us to find a production strategy and make a well-founded pre-selection of potential business partners and contractual models". What are important course guidelines in order to support students bringing about these results?

1. One important element here are weekly meetings during the whole semesters, in which the team's progress as well as potential challenges or communication problems during the search process are critically discussed. In that context, course organizers do not dictate any ideas nor do they up-front refuse any proposals of the team – even if those are surprising or go against intuitive reasoning; however, critical questions are raised concerning the realism of certain ideas as well as the willingness of important stakeholder groups to (really) cooperate.
2. If students for example propose a certain cooperation with external stakeholders, they are invited to verify by direct communication, whether this idea is really accepted by the proposed organization or group. If their inquiries do not bring about robust results, however, teams are invited to also consider alternative ideas. The most important goal – which also determines the course's final assessment for the team – is to help the Social-Impact start-up realizing his or her goals. On the contrary, mere ideas, which are not grounded in an exact analysis of the facts, are not accepted and would result in low grading; the realism of proposals remains a crucial quality indicator of a proposal.
3. If students face objective difficulties in pursuing their inquiry process, course organizers are also willing to help. This implies to open-up doors of consultants or field experts for them, to invite professionals to answer certain questions or simply to gain the support of a company the students had repeatedly contacted in vain. Creating opportunities for student teams, however, never implies that course organizers would take over doing their job. Whether or not they make

use of the opportunities opened to them rather represents another important element of the final group assessment.



*Picture 2: Students communicate with Christian from Ethiopia, 21 year-old-founder of GEBEYA, a platform to connect rural vegetable producers and urban farmers in Ethiopia. Supported by the local IT consultant 80:20, they help him to insure more transportation facilities for his venture.*

4. Albeit students are supposed to effectively support Start-ups in their struggle, they nevertheless do not understand themselves as mere service-providers. Rather, based on theoretical concepts and practical tools, they are also critically analyzing and challenging their business models. This specification is important as – empowered by business knowledge – students may often perceive shortcomings or hurdles, which the founder himself is not (yet) aware off. Obliging the students to work only on the instructions of the founder might then result in demotivation, if they consider the assigned task as useless as long as the bigger issues are not solved.

## **SISTAC: Social Impact Start-up Academy**

By working with Social Impact Start-ups, the young researchers were also able to define aims and objectives for their own future careers: “This exchange showed me, that it is indeed possible to do good and earn money with it. And I was able to apply my knowledge in a practical context. I could imagine working in a start-up company myself” says Kühne. For the subsequent course “Social Innovation II” consultant teams work with students on issues like business canvas, design thinking, and ethical campaigning on Social Media.

Based on the positive experiences, a similar course was offered at the Social Leadership MBE at Ben-Gurion University, Beer Sheva (Israel) in February 2019. Here, the same Social Impact Start-up Entrepreneurs were presented – with the explicit

task for student groups to bring these products to Israel's poorer regions (like the Berber settlement in the Negev very close to the BGU). For that purpose MBE student groups made use of their 'special knowledge' about the Health care system in their country, about social support structures in the Negev region, their insider knowledge about living conditions of poor fishermen in the Gaza strip etc. Finally, they came up with proposing very creative and well adapted solutions, which offered additional perspectives to the SIST founders. Which guidelines of course organizations proved to be particularly useful, here?

1. Also in this alternative format, which no longer aims primarily at generic advice but rather stimulates to transfer the product/service from one county to another, students remain in full control of their ultimate results. Even if the course facilitator him- or herself stems from the country or region as well, it has to be their ideas or proposals to guide their inquiries.
2. However, additional instruments to unleash the creativity and imagination of students might be added in order to help them avoiding a mere mechanical transmission or copy. Given the complex economic, social, legal or physical conditions of a business model, a careful adaptation is quasi always required and provides ample opportunities to bring in own proposals or ideas.

Based on the above-mentioned experiences, a *Social Impact Start-up Academy* was recently founded as a non-for-profit association. The goal is to scale the existing experiences by creating a global network of business schools running action-learning courses with business schools from all parts of Africa. Therefore, albeit started in Germany, the SISTAC nevertheless especially addresses Southern Hemisphere business schools – because it is precisely here, that 'market creating' innovators can make the biggest difference. For that purpose, specially designed 'SISTAC courses' are supposed to effectively coordinate the activities of founders and MBA/ MA students in different countries. Beyond the effects characterized above, another goal of the initiative is to link consumer markets with comparable living conditions around the Southern Hemisphere globally. For example, exporting her products and services to South Africa, Brazil or Indonesia may then help a Social Impact Start-up Entrepreneur from Ghana in West Africa to scale-up her company more quickly and stabilize her profits. For that purpose, she may ultimately even decide to collaborate with a student from the South African, Brazilian or Indonesian business school, who came up with a convincing proposal and is willing to spread her business model as a franchise taker. Networks of former SISTAC Entrepreneurs will be formed around business schools all over the African continent in order to mutually support each other, allow for benchmarking and collective learning as well as involve themselves in teaching and research of their local Business schools. Complementarily, after the period of

active collaboration with the business school students, mentors from business may accompany the founders helping them to implement the recommended measures thereby consolidating the business. In order to complement the action learning process, SISTAC will provide its business school partners access to online teaching materials for Start-up Entrepreneurs (for example design thinking, business model canvas, Social Media communication etc.). Moreover, bi- or tri-annual conferences will be organized within the SISTAC global network in order to foster the continuous improvement of action learning courses. Finally, SISTAC will also channel impact-investments as well as venture capital for promising start-ups. Sponsors from the private sector as well as public funds are welcome to help SISTAC to play this developmental role.

## Summary

As such, emphasizing the crucial role of (local) Entrepreneurs for socio-economic development in Africa is no longer very innovative. In that respect, the above-mentioned publication of Clayton Christensen, Efosa Ojomo and Karen Dillon only provided an additional (however rather concise) expression. Rather multiple initiatives have been started in recent years and they already managed to gain considerable support. Down that road, African Business schools can play an important and even here, a lot of networking activity has recently taken place. For example, the African Association of Business School (AAB) represents an important network in that respect. In order to transform the still rather salient alienations and cultural estrangement of mainstream b-school teaching practice, however, innovative forms of teaching and learning have also to be stimulated. For that purpose, structures like the Social Impact start-up Academy (SISTAC.world) and others want to support Business schools to increasingly serve market creating innovators in Africa – thereby ultimately playing an increasing role in fostering their home country's socio-economic development.