



Perceived returns, enrolment intentions, and willingness to pay for training programmes among entrepreneurs in Mozambique

Brais Álvarez-Pereira, Vitor Cavalcante, Egas Daniel and Simão Paiva

- This policy brief explores how to promote better business performance in a cost-effective manner in low- and middle-income countries. The study utilises survey data from Mozambican entrepreneurs to investigate how enrolment intentions and willingness to pay for targeted training programmes may differ based on the delivery method (in-person or online) and the training provider (private or public).
- Results show entrepreneurs prefer online training courses and privately provided courses over in-person and publicly provided ones.
- Entrepreneurs from micro and small firms have a higher intention to enrol in training courses than entrepreneurs from larger firms. Willingness to pay for online courses is 5% lower than for in-person courses, and entrepreneurs are willing to pay 10% more for a privately provided course. Women, rural, and micro/small firm entrepreneurs are less willing to pay than men, urban, and larger entrepreneurs.
- Results suggest that entrepreneurs exhibit a greater intention to enrol in online training, associated with higher expected class attendance and greater satisfaction with work and studies during the training period. These advantages are particularly evident in flexible scheduling and reduced constraints (for example, lower transportation costs) compared to in-person training. There are no differences in perceived potential financial returns to training across delivery methods.

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About the study

An important body of research acknowledges the impact of management practices on business performance (Bloom and Van Reenen, 2010; Bloom et al., 2013; McKenzie and Woodruff, 2017). However, improving knowledge and promoting cost-effective management in low- and middle-income countries remains challenging. Despite an annual investment of USD 1 billion in training entrepreneurs in these countries, few randomised studies have reported a significant impact on sales, profits, or productivity, raising concerns about the cost-effectiveness of these initiatives (Atkin et al., 2019; McKenzie et al., 2021).

The study's findings indicate that online training courses and privately provided courses are preferred by entrepreneurs, compared to in-person training and publicly provided courses. Additionally, entrepreneurs from micro and small firms have a higher intention to enrol in training courses than those from larger firms. Willingness to pay for online courses is just 5% lower than willingness to pay for in-person courses, and entrepreneurs are willing to pay 10% more for a privately provided course. Women, rural, and micro and small firm entrepreneurs are less willing to pay than men, urban, and larger firm entrepreneurs.

Findings suggest that entrepreneurs are more likely to enrol in online training programmes due to the benefits of flexible scheduling and fewer constraints, such as reduced transportation costs. This increased intention to enrol is associated with higher attendance rates and greater satisfaction with the training period compared to in-person training. However, there are no differences in perceived financial returns to training based on the delivery method.

Enrolment intentions and willingness to pay (WTP)

This research uses a survey adapted from Boneva et al. (2022) to elicit entrepreneurs' likelihood of enrolling in hypothetical training programmes (varying by delivery method and provider) and their willingness to pay (WTP). Respondents used sliders for the six scenarios to indicate their enrollment likelihood and how much they would pay. Responses were framed as potentially influencing real subsidised offers to enhance credibility. This design allows us to explore within-individual variation in preferences across programme features.

On average, online courses are associated with a more than 2% higher enrolment intention. Privately provided courses show an even stronger effect, increasing enrolment intention by 2.5% to 3.17%.

Examining the determinants of entrepreneurs' willingness to pay (WTP) for the different course types reveals that WTP for online courses is approximately MZN 330 (USD 5.20) lower than in-person courses—around 5% less than the average WTP. In contrast, private provision is associated with a roughly MZN 650 (USD 10.20) higher WTP, representing close to a 10% increase relative to the average.

Training programmes: Expected behaviour and life satisfaction levels

When evaluating the potential underlying mechanisms through which enrolment rates may be higher for online training modules, our results suggest that entrepreneurs' preference for online training is associated with higher expected class attendance and higher satisfaction with their work and studies during the training period, compared to in-person training.

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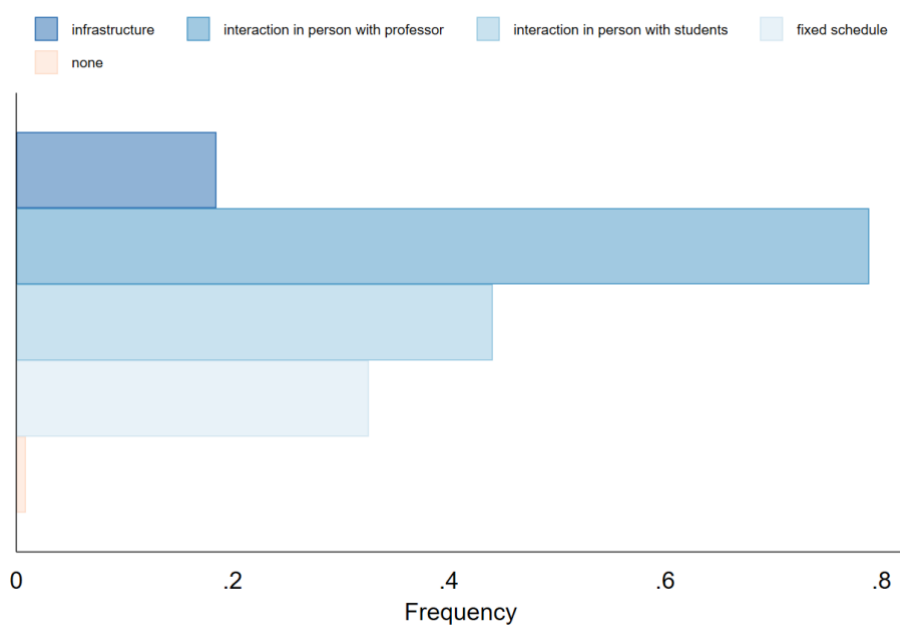
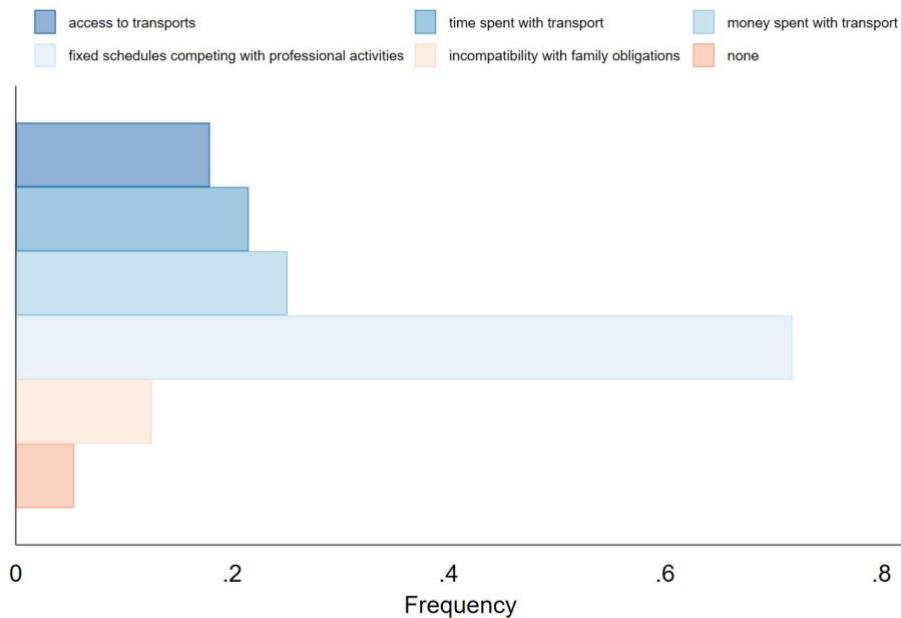
Participation in online and offline training courses is expected to enhance the quality of professional life—particularly in relation to work and studies—while moderately reducing leisure time and increasing stress levels. In-person training is anticipated to improve social status but may negatively impact family life. In contrast, online courses offer greater time flexibility and potentially lower visibility. The greater improvement in expected work satisfaction observed in the online format may be attributed to this increased flexibility.

Both online and offline training courses are expected to increase the quality of professional life, including work and study, while reducing leisure time and increasing stress levels to a lesser extent. Increased work satisfaction with the online course may be due to increased time flexibility.

Benefits and challenges

This survey asked entrepreneurs to identify the main benefits and challenges of in-person and online delivery methods for training programmes. For in-person training, the most commonly selected benefits (Figure 1) were face-to-face interaction with the professor (approximately 79%) and with other participants (44%), both of which support networking opportunities.

The most frequently reported costs associated with in-person training (Figure 2) were the constraint of fixed schedules conflicting with professional commitments (selected by around 72% of respondents), followed by travel difficulties (25%) and incompatibility with family obligations (12.56%).

FIGURE 1: Benefits of attending in-person training**FIGURE 2: Costs of attending in-person training**

For online courses, the most cited benefits (Figure 3) were schedule flexibility compatible with professional obligations (75.56%) and the integration of technology into the learning experience (approximately 45%). The main costs reported (Figure 4) were issues related to internet quality and price and the lack of interaction with the professor and fellow participants.

FIGURE 3: Benefits of attending online training

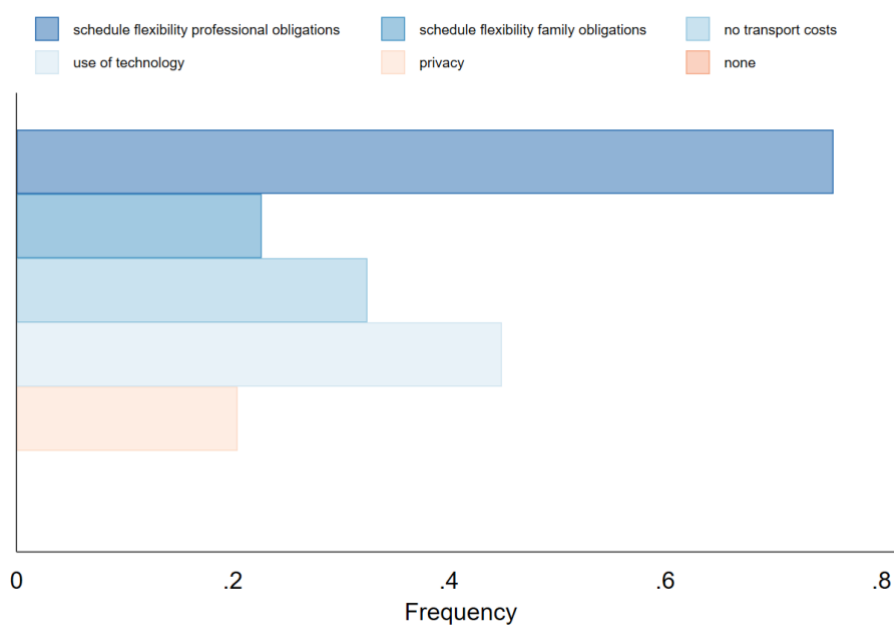
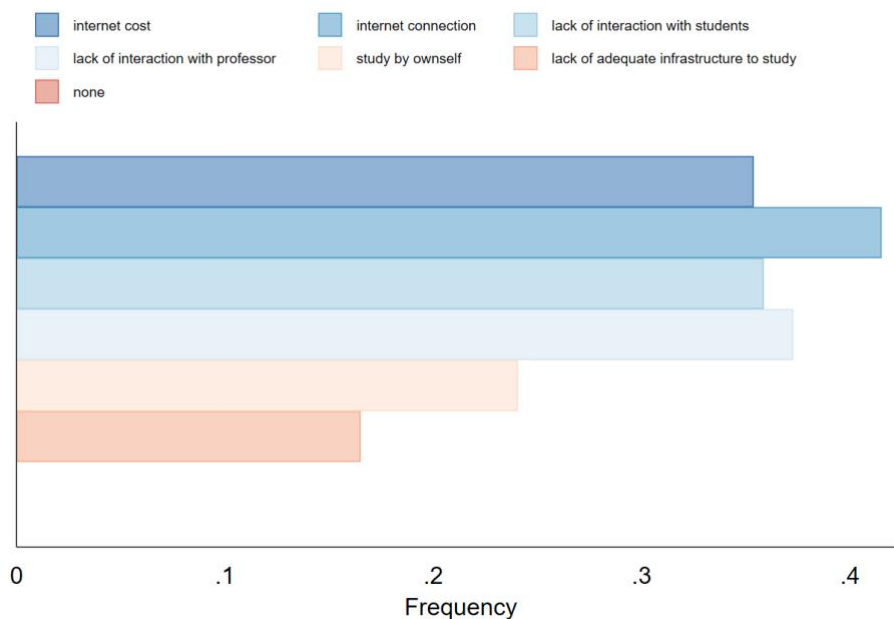


FIGURE 4: Costs of attending online training



Policy recommendations

The main findings from this empirical analysis show that intention to enrol is slightly higher for online and privately provided courses. Parallel to the enrolment intentions, entrepreneurs' willingness to pay for privately provided courses is higher than for publicly provided ones. However, the result is

reversed for online-provided courses. While entrepreneurs show a higher intention to enrol in online courses, their willingness to pay for this type of training is lower than for in-person ones.

The following policy recommendations based on the findings from this study contribute to the debate on promoting the adoption of business practices in low- and middle-income countries through training programmes:

1. There may be significant potential to increase the demand for training courses among entrepreneurs if the courses are also offered online. The main insight from this study shows this is true not only due to the observed higher enrolment intention but also because of the substantially lower costs of attending online courses.
2. Findings highlight the potential of online delivery methods to help overcome non-financial barriers that entrepreneurs face when accessing training programmes. Entrepreneurs show a greater willingness to enrol in online training compared to in-person alternatives, particularly due to the increased flexibility in scheduling.
3. Public entities may encounter greater difficulties than private ones in generating demand and revenue for their courses unless they are considerably cheaper than those offered by the private sector. There is a risk that entrepreneurs may associate a lower cost with lower quality. A possible solution for public entities is establishing public-private partnerships, which could attract more entrepreneurs.
4. This study highlights entrepreneurs' perceptions of the potential effectiveness of digital delivery methods in acquiring education. Providing access to technologies such as the internet, smartphones, and computers, combined with the opportunity to access educational content online, may be a promising avenue for further research to promote the cost-effective acquisition of different skills.

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