



# **Mutual Learning Programme**

DG Employment, Social Affairs and Inclusion

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## **Entrepreneurship Unbound: Skills for Work 4.0**

**Peer Review on  
“Entrepreneurship training for the unemployed:  
the Austrian Entrepreneurship Lab example”**

**Vienna (Austria), 24-25 October 2019**

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## **Executive summary**

This report presents a policy experiment that was introduced in Austria in 2017.

The pilot project "Entrepreneurship Lab" is a new labour market policy measure targeting unemployed persons by providing them with the skills that matter in a fast-changing labour market, characterised by the emergence of new and innovative, often platform-based, business models with the potential for value-creation and crowd-work.

The pilot project was devised by the then called Federal Ministry of Labour, Social Affairs and Consumer Protection (BMAŠK)<sup>1</sup>, the Public Employment Service (PES) for Lower Austria (AMS-NÖ), a regional agency providing labour-market related services for the Lower Austria region, and two private firms. As part of an 18-week long training programme, per course 15 unemployed persons individually or jointly develop either profit- or non-profit-oriented business ideas. They were supported by two trainers from the consulting firms involved and by external trainers, providing knowledge and training in business skills. A vital part of the programme took place in a co-working space to inspire the participants to build peer networks, help each other.

The central objectives of the pilot project were:

- the development of business ideas,
- the development of entrepreneurial skills,
- empowerment and development of resilience,
- networking as social capital,
- the development of economic skills,
- preparation for new social and economic requirements, and
- the use of new social media tools and ICT in general.

The co-working space also served as a platform to invite other potential network partners from start-ups, start-up networks etc. The participants were introduced to methodologies such as design thinking, customer journeys and business canvas models. They gain skills regarding ICT, social media and the Internet as tools for e.g. market analysis, product development and marketing activities. A network concept interlinks the participants digitally, thus supporting sharing approaches.

A team from the Austrian Institute of Technology (AIT) was hired to monitor the progress of the pilot project and of its participants. Upon the suggestion of AIT, all actors together decided to devise the pilot project as a policy experiment, with unemployed persons consecutively going through the training programme.

Although this was not planned, it turned out that all the participants of both groups were long-time unemployed, aged in their mid-40s on average. The reason for this is that the participants were selected based on recommendations from the personnel of the local Public Employment Service who decided on their own which unemployed persons they would inform about the pilot project. The unemployed persons who received information about the pilot project were then free to attend the information day and the assessment centre, where the selection of participants took place.

The Entrepreneurship Lab started in April 2017. Two groups of unemployed participants took part in the measure in the first year (2017), and two more groups in the second year (2018). The measure has been prolonged in 2019, still as a pilot project. The lab was from the beginning on financed by the PES, with the ministry funding for the AIT to its monitor the work.

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<sup>1</sup> Today called BMAŠK for Federal Ministry of Labour, Social Affairs, Health and Consumer Protection.

## 1 The Entrepreneurship Lab: an answer to a new labour market

Current societies are undergoing rapid processes of change in which social, economic, political and technological factors are interlinked. Arguably one of the most important change drivers is digitalization. Indeed, the digitalization of contemporary societies has driven such profound changes so rapidly that it has been termed the "Fourth Industrial Revolution". Current discussions on "Industry 4.0" are erroneously focusing mostly on industry, whereas an industrial revolution, as the past ones have proved, will have effects far beyond industry, therefore asking for a corresponding approach on "Work 4.0" and even "Society 4.0" (Biegelbauer et al 2018b).

In comparison to other OECD countries of a similar income level, Austria scores rather badly when it comes to the IT skills of its labour force. This is particularly true for less educated and older persons (Dorr et al 2016). The European Start-Up Monitor<sup>2</sup> furthermore has shown that Austrian start-ups have similar problems to those of other EU countries, extending e.g. to product development, marketing and funding, with the latter factor being specifically problematic in Austria.

As a reaction, a pilot project was started in 2017 in Austria which tried to address these challenges. The PES<sup>3</sup> project "Entrepreneurship Lab" is a new labour market policy measure targeting unemployed persons who might consider self-employment by providing them with important skills needed to cope with the upcoming Fourth Industrial Revolution. In this pilot project, new and innovative, often platform-based business models are emerging with the potential for value-creation and employment through on-demand services and crowd-work.

The pilot project was devised by the Federal Ministry of Labour, Social Affairs and Consumer Protection (BMASK), the Public Employment Service (PES) of Lower Austria (AMS-NÖ)<sup>4</sup>, and two consulting firms. As part of an 18-week training programme, per course 15 unemployed develop their innovative business ideas with the aim of creating new jobs for themselves, that may or may not be profit oriented. They supported each other and were supported by two trainers – one from each of the consulting firms – as well as by external trainers providing knowledge and training in business and soft skills supporting creativity. A vital part of "Entrepreneurship Lab" took place in a co-working space, which aims to inspire the participants to build peer networks and exchange ideas and resources among each other through group-empowerment. They learn to utilize their individual skills and knowledge to team up and form new companies together. The participants learn new ways of working together and create new forms of work organization – for instance combining self-employment with belonging to a company with limited liability.

The goals of the Entrepreneurship Lab consist in creating employment through region-based start-up projects with the aim to prepare for the coming transition to a new digital economy with a focus on producing ideas, that are economically sustainable. The central objectives of the pilot project thus are a reaction to the factors currently changing the labour market. The objectives are:

- the development of business ideas,
- the development of entrepreneurial skills,
- empowerment and development of resilience,
- networking as social capital,

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<sup>2</sup> <http://startupmonitor.eu/>

<sup>3</sup> AMS – Arbeitsmarktservice – Public Employment Service.

<sup>4</sup> Public Employment Service of Lower Austria.

- the development of economic skills,
- preparation for new social and economic requirements, and
- the use of new social media tools and ICT in general.

A co-working space also serves as a platform to invite other potential network partners from start-ups, start-up networks etc. The participants are introduced to methodologies such as design thinking, customer journeys and business canvas models. They gain skills regarding ICT, social media and the Internet as tools for e.g. market analysis, product development and marketing activities. A network concept interlinks the participants digitally, thus supporting sharing approaches (Biegelbauer et al 2018a).

The pilot project's set-up as a policy experiment allowed for the comparison of the impact of the curricula in the two rounds of implementation in 2017. Most elements (trainers, infrastructure, objectives, selection criteria for participants, etc.) were kept stable from the first to the second round, while an essential factor (the curriculum) was modified.

At the same time, the test arrangement was not perfect, since in the course of the continuous improvement of the pilot project, minor changes were already made during the individual rounds. Nevertheless, it was an important decision to structure the Entrepreneurship Lab as an experiment, as it allowed learning from experience, more intensely than with a regular pilot project (compare Biegelbauer 2016). This measure differs from other active labour market policy measures because the participants express their own creativity, and ideas and experience networking and empowerment in the group for developing the future path to self-employment.

The Entrepreneurship Lab was devised to fill the space between typical PES programmes aiming at skill development (e.g. ICT related) and programmes for persons in the process of founding a company, such as the PES Company Funding Programme (UGP) and the Founder Service of the Chamber of Commerce (*Gründerservice*).

The Entrepreneurship Lab started in April 2017. Two groups of unemployed participants took part in the measure in the first year (2017), and two more groups in the second year (2018). The measure has been prolonged in 2019, still as a pilot project. The focus of the lab has changed slightly in 2019, from a concentration on entrepreneurial thinking and skills for creating start-ups to obtain employment. The lab was from beginning on financed by the PES, with the ministry funding to monitor the work.

A team from the Austrian Institute of Technology (AIT) monitored the progress of the pilot project and the participants and adapted processes necessary for the pilot's success. Upon the suggestion of AIT, all actors together decided to devise the pilot project as a policy experiment. The Entrepreneurship Lab was monitored by AIT in 2017, which means that no reliable data are available for the following groups. Therefore, this report focuses on the first year of the measure, although there are indications on the further performance of the entrepreneurship lab, which were provided by former participants.

Methodologically, the AIT team devised measures for monitoring, analysing and evaluating the pilot project as well as feedback formats for the operating staff such as the trainers and political principals. Regarding the actual research work, participant observation was utilised for gathering data on the social interactions during 25 training days, resulting in short research reports of 5-10 pages, including observations, analysis and recommendations for the trainers. During these days, 39 short and 74 extended problem centered interviews were carried out with pilot project participants. 23 expert interviews were carried out with the trainers and several more interviews with external experts.

To improve the Entrepreneurship Lab and to learn from experience, feedback rounds were conducted in various compositions. These regular feedback loops pursued the aim



of further developing the pilot project through learning from experience. For this purpose, the AIT team also supported communication between the actors involved.

The feedback rounds were conducted by AIT team members in four different forms:

- irregularly (about once a month) in the group of pilot project participants in the presence of the trainers at the end of observation days,
- regularly (every 2-6 weeks) between AIT team and trainers,
- regularly (approximately every 2-3 months) with the trainers and the responsible persons from the two consulting firms,
- once every six months in a larger group forming the steering group of the pilot project with representatives from the two consulting firms, from the Ministry and the regional PES.

Four extensive focus groups were held with the trainers and managers from the two consulting firms responsible for the pilot project's operations. A large round table in a restaurant gave the representatives an opportunity to step out of their daily routine by leaving the office spaces. Finally, a steering group of management staff from the two consulting firms, the PES of Lower Austria, the Ministry and the head of the AIT team met three times to discuss preliminary results of the pilot project, adaptations and possible further steps in the medium and long-term run.

## **2 Policy measure**

### **2.1 Structure of the Entrepreneurship Lab**

The Entrepreneurship Lab starts with an information day, as part of which the unemployed persons who were sent by a regional PES office are provided with information on the measure. Those who decide to stay with the lab then go through to an assessment centre, in which skills such as creativity, responsibility, stamina and ambition are tested. The most successful candidates are accepted into the programme.

The measure consists of three phases: the idea incubator, the start phase and the up 4.0 phase. As part of the idea incubator, which lasts three weeks, successful start-ups are presented, the participants' own competences and interests are reflected individually and in the group, visions and ideas are developed, and the first steps towards individual and group empowerment are taken.

In the start phase, which lasts for nine weeks, the ideas from the first phase are developed step-by-step, alongside skills training covering ICT, marketing, sales, design, soft skills etc. In the co-working space, individuals develop their business plans alone and together with other group members. At the end of the phase, there is a test for a business skills pass.

In the up 4.0 phase, lasting another five weeks, the project ideas are finalised, with specialised modules offered on entrepreneurial experience, networking, ICT and soft skills. Towards the end of this phase, participants have the possibility to take the test for the European Business Competence Licence (EBCL). There is also a presentation of the business idea in front of an external jury consisting of experts from e.g. the Chamber of Commerce, the regional innovation centres (RIZ), a risk capital funder, PES, BMASK, but also former lab participants.

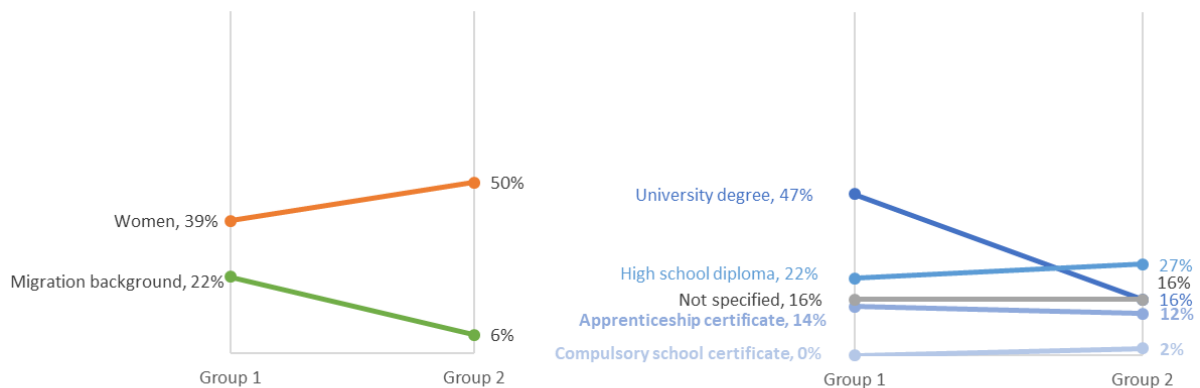
The measure, due to the intensity of the training and corresponding necessity of trainer hours, is relatively expensive, with approximately EUR 50 000 for the 18-week course.

## 2.2 The Lab's participants

This section provides an overview of the sociodemographic profile of both groups participating in the pilot project, highlighting the differences between group 1 and group 2.

A comparison of the participants at the information days shows that the first group had a larger share of university graduates and men. The PES supervisors were notified that more women and individuals with lower educational attainment were needed for group 2. An increase in these two characteristics was achieved in the second group.

Figure 1. Profile of participants of information days by gender, migration background, education level

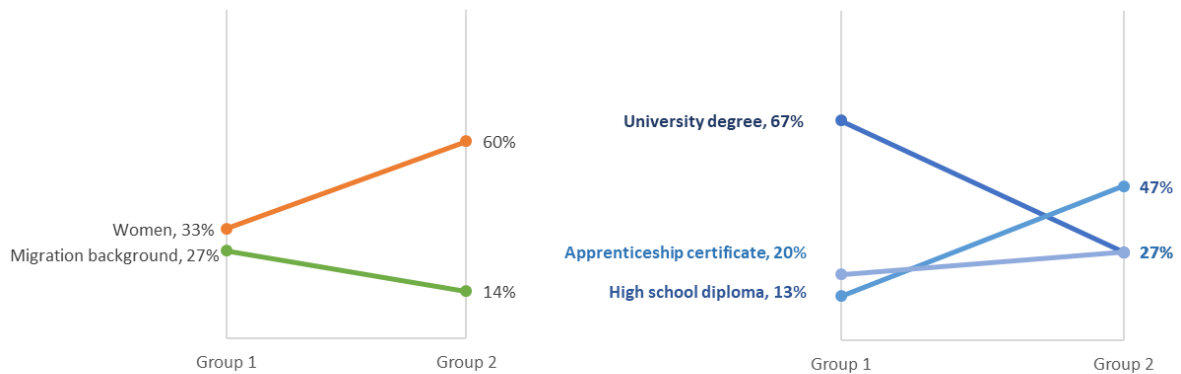


Source: AIT based on data provided by PES. Group 1  $n=49$ , Group 2  $=36$ .

In the actual labs, regarding the unequal distribution between women and men as well as the higher educational attainment in the first group, the group composition was changed in the second group:

- it was possible to increase the proportion of women,
- the number of people with university degrees in the second group was comparable to the number of people with apprenticeship certificates, i.e. significantly less dominant than in the first group, with the people with a high school diploma accounting for half of the participants,
- in the second group, only two of the participants had a migration background,
- the average age of the first group was about 45, while that of the second group was about 48. Yet in both groups there was a certain age-related diversity in the form of individual participants under 30 years of age.

Figure 2. Profile of participants of pilot project participants by gender, migration background, education level



Source: AIT based on data provided by PES. Group 1 n=15, Group 2=15.

What can be inferred from a comparison of the data of information day and actual pilot project participants, is that by and large they are not differing within the groups 1 and 2. Therefore there was no systematic exclusion of persons on the information day or in the assessment centre.

Before the start of the programme, there was some concern that a potential overall low level of educational attainment among the participants might have a negative impact on the participants' ability to create start-ups. Yet although the second group featured a lower level of education in comparison to the first, such a lowered ability could not be observed. According to the description of the participants of the first group, who were repeatedly used as jurors, as well as according to the perception of the AIT team, the second group in the Entrepreneurship Lab made even more progress with their business ideas than the first group. Presumably, this also correlates with the change of the lab setting (which now included the joint project "Programm kino Spittelberg", in which participants made suggestions for business ideas for an existing cinema) in the first month in the second group.

In this context, it was also found that the degree of internal networking in the second group was lower than in the first group after completing the pilot project. In the "Spittelberg cinema programme" project, the group was divided into three groups on the first day of the second round of the pilot project. This process resulted in a division exactly along the three assessment center groups and presumably determined the internal communication structures of the second group at an early stage.

Regarding the participants' "employment status", it turned out that the majority of the participants in both groups were long-term unemployed. This fact only emerged from the interviews conducted with the participants by the AIT team. The Entrepreneurship Lab trainers were not aware about this when directing the participants to the pilot project.

It is also worth pointing out that several participants across the two groups suffered from burnout symptoms such as traumatic disorders. This was discussed by some participants on their own initiative. In other cases, indications arose from the observation of the group by trainers and the AIT team. In all cases an improvement of the symptoms, for example regarding self-confidence, self-assessment and motivation, was observed.

### 2.3 How did the measure work?

In 2017, the first group of unemployed persons participated in the programme from April to August and the second group from September to December. Several, sometimes substantial, changes were implemented in the curriculum between the first and the second group, including e.g. the four-week joint project at the beginning of the programme. Thereby the second group started with the participants working on one business idea together, to set up their own ideas for different businesses only afterwards. Another set of changes was proposed in December for a follow-up (a selection of which is presented later in section 4.2), many of these originating from the AIT team.

The reason for the fact that all participants of both groups were long-time unemployed with a mean age in the mid-40s most likely lies in the recruitment channel and approach. The proposed participants were pre-selected on very broadly defined criteria by local PES personnel, who provided potential participants with information on the Entrepreneurship Lab. The criteria consist of persons seeking work at the PES, that are over the age of 18 and have a demand for business skills, according to the future plans. These unemployed persons were then invited to information days and an assessment center.

The two groups went through the classic phases of group processes "Storming/Forming/Norming" very quickly and formed rapidly (Tuckman 1965). In the first days there were problems with a lower level of activity of the less qualified especially in the first group, also in connection to group integration. But this was soon followed by an overall high level of motivation among all group members. Already in the first week they got together as a group, mainly through the experienced and resourceful trainer team.

On average, participants with higher qualifications more easily integrated themselves into the group than those with lower qualifications. This was partially amended by the socially competent trainers, who had taken to integrate all participants into the group. Differences could also be observed between the participating men and women, whereby, according to one trainer, women tended to contribute to ideas for fostering social benefits overall, while men tended to put forward more business-oriented ideas about maximising financial success. The latter early observation was confirmed in the course of the pilot project and was even more visible in the second group.

The pilot project "Entrepreneurship Lab" was a success with respect to the fact that more than two thirds of the participants of the first group created their own business, some aside part-time employment. The start-ups were very different in nature, with a number focusing on service innovations, often Internet-based and social media related. Some of them were profit-, while others were non-profit oriented. An example for a mixed business model combining profit and nonprofit elements is a service provided for pregnant women encountering health problems (the name of the company is "Babyou").<sup>5</sup>

*In a first stage an Internet platform was built, which served as a community building measure with the goal of allowing an exchange of experiences amongst the women. In a second step a variety of measures was implemented, from the establishment of various groups on social media, cooperation agreements with NGOs and presentations at conferences. The Internet platform and the Facebook group are for free, whilst upcoming measures, such as Internet-based courses (e.g. on You Tube, Facebook), will be paid services. The courses will cover issues such as training for women, who must stay in bed for several months and the reduction of fear of a miscarriage through guided meditations. (Babyou)*

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<sup>5</sup> <https://babyou.org/>

Not all participants decided to create start-ups. Several went into employment and a few participants were reported to explore various business ideas. In early 2018, 26 % of the participants from 2017 were employed or had founded a company. Because of this, the PES decided to prolong the pilot project into 2018, and again into 2019.

In the regularly conducted interviews during 2017, multiple comparisons with other unemployment-measures were made. According to the interviewees, there were significant differences to "standard-measures of the PES":

- in the pilot project unemployed are addressed at eye-level,
- there is intense support and supervision,
- working within a group, and
- especially the possibility to get feedback and to give feedback is appreciated.

The PES Online Tool for participant satisfaction shows overall extremely positive results. The single major point of criticism was made by the first group regarding the information provided on the pilot project before the start of the measure. But already in the second group the improved information materials and the information events were not criticised any more. In 14 questionnaires submitted, group 1 rated its satisfaction with the trainers in an interval of 1.4-1.6 (with 1 being the highest and 5 the lowest grade). Group 2 assigned values of 1-1.2 in the 11 questionnaires submitted.

Furthermore, the ties of the participants to the Entrepreneurship Lab are high even after completing the PES measure. The graduates visited the Entrepreneurship Lab as alumni to share their experiences and project ideas. Together with the trainers, they establish an innovative labour market policy platform which is being used and expanded beyond the measure. This innovation is currently endangered, as the Entrepreneurship Lab now is focusing more on employment, less on entrepreneurial ideas and featuring a less pronounced networking approach.

All participants – in self-assessment and external assessment by the AIT team – have gained knowledge and social skills. Of particular relevance in this context are the social skills in the field of teamwork, which are important for successful business start-ups in view of changing social structures.

## **3 Results**

### **3.1 What worked**

Knowledge was jointly created by participants, trainers and external experts: here, learning among the participants supported by the trainers was particularly important. This was implicitly supported by interactions and explicitly also by lectures (e.g. lectures on branding, social media and internet surveys of participants themselves).

Furthermore, social capital was also created by participants and trainers together: the participants work as a group (or at least did in 2017 and 2018) and were very well connected to each other. External networks of trainers and participants were created, which partly have led to the establishment of new network nodes.

In a series of interviews, particularly group-related factors were regularly mentioned as special advantages of the pilot project. These were:

- the group itself and particularly its openness towards new ideas and people, but also,
- the basis of trust created within the group,
- the readiness for feedback, and

- the particularly positive experience of mutual esteem.

Several participants also emphasized that they have acquired additional knowledge (tools for business life in general and start-ups in specific, experiential knowledge of others etc.) and skills (presentations, group work/team skills etc.). From a social science perspective, it may well be pointed out that this also applies to psychological factors, especially with regard to the self-value repertoire and the possibilities for self-management. These two factors are particularly important for jobseekers, as they are crucial in overcoming potential episodes of unemployment that affect self-esteem. This is particularly important as personal resilience is needed for anyone wishing to pursue the path of self-employment. Creativity and innovation require inner strength, which is especially important for entrepreneurship.

The trainers of the pilot project were rated highly. This applies in particular to the two trainers of the pilot project themselves, but also to the external coach on the subject of design thinking, who was perceived as an enrichment by all the participants interviewed.

Group 1 assessed the contents of the pilot project (with 1 being the highest and 5 the lowest grade) with values between 1.7-2.3 (the latter values were awarded for the written materials, which in no case achieved the highest grade). Group 2 rated values of 1.3-1.4 (the written materials were rated best nine times).

Group 1 assigned values between 1.7-2.0 for the general conditions, while group 2 awarded marks between 1.0-2.7. The lower marks for group 2 can be explained by the fact, that some of the interviewed partners reported certain problems such as slow Internet and malfunctioning heating. The second group produced more complex solutions for websites on the Internet, given the fact that the development of business ideas in the second group had progressed further than in the first group.

The group 1 participants overall rated the measure very positively, especially regarding course content, trainers and other factors, with the exception of the information previously received from the PES on the pilot project, which was rated only 3.7. Group 2 also rated the general experience very positively, and the information on the training was rated as 2.1 overall.

### **3.2 A New Entrepreneurship Culture**

The participants have been able to gain experience in entrepreneurship and beyond (e.g. financing, customer acquisition, etc.). While some of these experiences were described positively in interviews and emails, there were also some experiences with setbacks. In one case, for example, after extensive negotiations over several months a beverage manufacturer suddenly charged higher prices, which resulted in a significant delay in the creation of the business idea. In another case only 4-5 orders were placed out of 1 000 visitors on the firm's homepage, leading to financial losses soon after the launch of the start-up *ÖGreissler*, where local groceries can be bought online and are transported from the farmers directly to customers via bicycle messengers.

It is important to communicate these experiences. "Trial and error" is increasingly regarded as important in the world of entrepreneurs and is part of the new entrepreneurship culture. For instance, entrepreneurs get together for social events to celebrate mistakes and thereby develop resilience to failures. During alumni visits, these experiences also become part of the Entrepreneurship Lab groups and social events were also regularly attended on a voluntary basis outside course hours.

The participants missed the group after the official end of the PES measure. Especially at the stage of becoming self-employed with all the related difficulties to gain support and feedback for their own actions, they would still need assistance from the group – even though a number of participants are still in contact with each other, also on basis of the efforts of the two trainers and are networked via social media on several channels.

## **4 Key findings and conclusions**

### **4.1 Changes implemented**

Changes were made to the curriculum starting from the first day of the pilot project. Essential parts of this further development originate from inputs of the AIT team, other elements were suggested by the trainers. Most of the changes were discussed together, in smaller and larger feedback groups, and implemented thereafter.

Already at the beginning of the pilot project, information on the pilot project (especially regarding age structure, educational level, founding spirit) was revised in cooperation with the regional PES office, as a result of critical evaluations of the information on the pilot project and the first information day provided by the PES supervisors. In this context, technical terms, for example, were reduced or translated into German in the presentations on the information day.

Together with the trainers, participants' awareness was raised in the first group on the importance of group communication, especially with regard to the differences between the lower and the higher qualified participants, but also on the use of technical language from the respective field.

Based on the interview results, changes were made in the programme, such as the postponement of the pitching of participants' own business ideas in front of external experts. Regarding the central approaches conveyed in the pilot project, the effectuation module on developing new business ideas was moved up to the area of design thinking.

One trainer suggested using a business idea as a demonstration project in which all participants could work together. In this project, common learning experiences within the group can be made in the context of different educational levels and personal characteristics (e.g. differences in patterns of self-confidence and self-management).

Based on feedback from participants in the first group, a measure was taken to stabilise relationship and structural capital. This was done by strengthening the group-related elements in the curriculum while changing the original concept of a strong emphasis on individual work in the final group phase, including now also more group-work element.

After very positive feedback from the participants, the trainers reinforced external networking activities (e.g. visits to the WU event series "Entrepreneurship Avenue" and the Co-Working Space "Sector 5", presentations by external experts from RIZ and Erste Bank, etc.).

Within the discussions with the AIT team, a room for group discussions and individual work with lockable boxes was requested by the participants already after the first weeks of the pilot project (also for work after the end of the course at 1pm). This had an important impact, as the new co-working space was subsequently kept open and has since functioned as a common working space for the lab, allowing for common work and network activities.

A consolidation of the curriculum resulted from the revision of the first proposals and from the repeated joint feedback units of the two consulting firms and the AIT team. On the other hand, the use of ICT/cloud solutions (social media platforms, instant communicators, file sharing services) by the trainers led to the production of written guidance. In addition, a protocol is kept by the trainers for this purpose.

### **4.2 Changes that should be implemented**

The assignment of potential participants of the pilot project by the regional PES offices are critical for success: the voluntary nature of the participation, and the willingness to engage in entrepreneurial thinking and the ability to work in a group are essential qualities for participation. If these characteristics are not fulfilled, a measure that is characterised primarily by cooperative action and a positively charged relationship between group and individual may fail.



Subsequently, the acquisition of potential participants for the pilot project is an important factor for the success of the programme. In this context, there were frequent discussions about how potential participants could be recruited for the pilot project in the counselling interview and how this could be implemented in the daily business of the consultants. Indeed, the critical weakness of the programme is that it was not possible for the trainers to liaise directly with the PES advisors, who pre-select the potential participants they deem suitable for the measure while in parallel not assigning them to more than 100 other measures. The only written information the PES advisors have about the project is a single A4 page information sheet, a description barely enough to make a reasoned decision, if somebody should be sent to a new measure such as the Entrepreneurship Lab.

A clear finding arising from a series of interview results is the desire to keep stable elements throughout the week of the pilot project. Participants with longer periods of unemployment tend to drop out of the stable time cycles of the working life. Accordingly, a few interviewees have expressed the wish for regulated workflows and already previously known time schedules. Examples of this would be the integration of professional inputs at least twice a week at certain times, also in phases of intensive work on the individual projects, and of a feedback module for participants and trainers, such as Friday noon.

In view of the initial experience of the graduates of the first two groups, more hands-on information on the financing of business ideas would be worth considering. There has already been a change from the first to the second group in this direction, which could be taken one step further. Instruments could include strengthening market analyses, prototyping in access to risk capital.

One way of applying knowledge and skills in practice would be to set up a joint company within the group. Here a company foundation in the form of a mock-up, possibly in the wake of the joint project in the first phase of the curriculum, would be a cost-effective way to familiarize oneself with the individual steps in an overview-like and practical way.

For obtaining time series data, it would also be useful to interview the first cohorts of graduates repeatedly over a longer period of time about the impact the pilot project has had on them. This would dissolve the fixation on the short-term effects of the pilot project resulting from indicators such as remaining in the labour market three or six months after the end of the measure.

Creating various indicators would serve a purpose here. On the one hand, these could be simple quantitative indicators: employment follows/is promised/prospected (extended monitoring), start-ups are planned, knowledge acquisition: degrees (EBCL, course completed) and satisfaction with participation (evaluation PES Online-Tool).

On the other hand, a second group of indicators could consist of complex qualitative indicators that are currently described, but could also be used in the form of scales in the future, for example in the form of a multidimensional system:

- Skills (external evaluation of presentations by external experts: clarity, persuasiveness, self-confidence, flexibility, responsiveness to addressees or listeners),
- Psychological set-up (eventually in self-assessment and/or external assessment): self-esteem (how do I compare myself with the environment, but also realism this comparison), self-management potential (what am I willing to do, what am I able to do, but also prospect of realization in the light of my own activities), self-motivation/activation potential (what do I want to achieve, but also what can I realistically achieve),
- Social capital (self-evaluation and/or external evaluation: getting to know, building up or actively involved in networks).



In addition, the impact of the pilot project – or rather the skills acquired in terms of teamwork, self-motivation and the like – on the social environment of graduates could also be assessed. The measure's social added value could be examined from employment-relevant skills for reintegration into the labour market, through effects on regional market structures through new services, the realisation of cooperative effects with other entrepreneurs and the creation of jobs, to the introduction of social competence into different business ideas and the emergence of social projects.

Furthermore, besides such elements of a social return on investment, data on the long-term effects of the Entrepreneurship Lab, the founded firms and created employment should be created and analysed. Such a study would be sensible, in order to further improve the measure and perhaps re-orient it along the lines of lessons learned. A decision on a rollout of the measure could be based on the findings derived from such a process.

## 5 Final remarks

The lab itself was successful, with most former participants one or two years after the end of the measure having launched their own businesses or being in the process of doing so. Participants have raised their qualifications, and praised the quality of the course modules, the networking experiences, experiencing new technologies and other things. To be sure, most participants have a hard time launching their own small business due to their age (in their mid-40s on average). Little income, long hours, little recognition have become the natural environment for many. Especially financing poses a problem to a number of them. Yet time and again they have stated that there is little alternative for them in their fifties on the labour market. And all of them say that they have benefited enormously from the experience of the lab.

The first two groups of unemployed participants went through the Lab in 2017, the results of which has been described here. Two further groups have been offered the chance to work within the Lab in 2018 and another group in 2019, although no monitoring has been taking place. Whilst the strengths of the Lab were there to stay, so was its main weakness and the situation has become even worse: the ineffectiveness of the Lab recruitment structures led to decreasing numbers of unemployed persons being advised to attend the information days. The only way to overcome this would be to make an interaction possible between lab trainers and PES personnel, so that the PES advisers know more about the Entrepreneurship Lab.

Another perhaps more general lesson to be drawn from the Lab is that it pays off to have scientists monitoring a labour market measure. By doing so, an evidence base for drawing lessons from labour market instruments is created. Standardised ex-post evaluations are often preferred for this task, but if the goal is to make measures more effective while they are still active, a tailor-made monitoring programme combined with a policy experiment is more sensible. In the case of the Entrepreneurship Lab this mixture was particularly helpful.

## 6 List of references

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**Empirical data:**

*Telephone interviews with Manuela Hargassner-Delpos (BMASK, 5.8.2019), Mario Danler (AMS NÖ, 9.8.2019), Michael Eminger (ösb Consulting, 02.08.2019).*

*18 e-mail answers from entrepreneurship lab participants to an e-mail from Michael Eminger (August 2019).*

## Annex 1. List of Abbreviations

AIT	Austrian Institute of Technology
AMS	Arbeitsmarktservice (Public Employment Service)
BMASK	Federal Ministry of Labour, Social Affairs and Consumer Protection
EBCL	European Business Competence Licence
ICT	Information and Communication Technologies
NÖ	Niederösterreich (Lower Austria)
ösb	Österreichische Studien- und Beratungsgesellschaft
PES	Public Employment Services
RGS	Regionale Geschäftsstelle (AMS regional branch office)
RIZ	Regionale Innovationzentren (Regional Innovation Centres)
UGP	Unternehmensgründungsservice (Company Funding Programme)

## Annex 2. Sociodemographic profile of the participants

Table 1: Sociodemographic profile of the participants of information days

Evaluation – Information days	Group 1	in %	Group 2	in %
Total number of participants:	49		36	
Women	19	39%	18	50%
Men	30	61%	18	50%
Participants' average age (in years)	45,60		46,78	
Migration background	11	22%	2	6%
Without a migration background	38	78%	34	94%
University degree	23	47%	8	16%
High school diploma	11	22%	13	27%
Apprenticeship certificate	7	14%	6	12%
Compulsory school certificate	0	0%	1	2%
Not specified	8	16%	8	16%

Source: AIT based on data provided by PES.

Table 2: Sociodemographic profile of the participants according to groups

Evaluation - Groups	Group 1	in %	Group 2	in %
Total number of participants:	15		15	
Women	5	33%	9	60%
Men	10	67%	6	40%
Participants' average age (in years)	44,70		47,93	
Migration background	4	27%	2	14%
Without migration background	11	73%	13	86%
University degree	10	67%	4	27%
High school diploma	2	13%	7	47%
Apprenticeship certificate	3	20%	4	27%

Source: AIT based on data provided by PES.

