

Predictors of Entrepreneurial Intention among Students in the Nigerian University: Counselling Implications

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Abstract

Entrepreneurial impulse is a strong desire to start a new business or improve on an existing one. It is a behaviour that stems from several factors. Lack of entrepreneurial intention could lead to high rate of unemployment. This paper therefore examines predictors of entrepreneurial intention among students in Lagos State University and its counselling implications. One research question and two hypotheses guide the research, which consisted of 130 students randomly selected from the Lagos State University (LASU). Results show a strong and significant relationship between predictors and entrepreneurial impulse of students. The results also reveal that personality traits, social and societal factors are the strongest predictors of entrepreneurial intention among students. Therefore, counsellors, educators and policy-makers are expected to develop various strategies and programmes that will stimulate these factors in students.

Keywords: entrepreneurial intention, predictors, university students

Introduction

Entrepreneurial intention could be described as a person's motivation, desire or penchant to start a business now or in the near future. Intention is the motivation and demotivation about objects, issues, feelings, beliefs; which could be verbal and nonverbal expressions. It provides judgmental opinion by conscious and judicious thinking. Parker (2004) states that intention is an individual's specific propensity to perform an action or a series of actions. Thompson (2009) defines entrepreneurial intention as self-acknowledged conviction by a person that they intend to set up a new business venture and consciously plan to do so at some point in the future. It is the state of mind directing a person's attention and action towards self-employment as opposed to organizational employment (Bird, 1988).

Pillis and Reardon (2007) define entrepreneurial intention as the desire to start a new business. The decision to become an entrepreneur and create a new business is a deliberate and conscious decision that strongly requires time, considerable planning and a high degree of cognitive processing. Depleted or near-absence of this trait among students in Nigerian universities exposes the country to a lot challenges such as poverty, insecurity and unemployment. The

rapid rise in the unemployment rate is a major source of worry. Several employable adults are either finding it difficult to secure employment or are laid-off work for one reason or the other. It is no longer about going to school and graduating or learning a trade, but about how to face the reality of graduating and joining the brigade of the unemployed with little hope of what the future holds.

The high rate of unemployment among the youth in Nigeria has contributed to the high rate of poverty and insecurity in the country. Youth unemployment is becoming an increasingly troublesome issue in many parts of the world. In Nigeria in particular, it has become a most serious socioeconomic problem confronting the country (Adegoke, 2015). Since most psychology training programmes still focus on clinical issues—not unemployment and its emotional baggage—psychologists should look for continuing education on working with the unemployed. Psychologists are being called upon more than ever to counsel out-of-work people (Amber, 2011).

Ozaralli and Rivenburgh (2016) posit that an array of factors are potentially relevant to the formulation (or not) of entrepreneurial intentions. They are: personality traits, family and friends, experiences and education, political and economic conditions, and perceived motivations and obstacles. Three potential influences on entrepreneurial intention are personality factors, social factors (personal experiences and education), and societal factors (the perceived political and economic climate of the country). A strong intention is eventually likely to result in an attempt to start a new business (even though immediate circumstances may cause a delay).

One of the latest models of entrepreneurial intention was designed by Lüthje and Franke in 2003. To them, fostering entrepreneurship has become an important topic among entrepreneurship researchers. They equally believe the university is an institution which students pass through toward working life. Right after graduation, students decide where their careers will start. Lüthje and Franke (2003) submit that with some colleges successfully stimulating undergraduates' entrepreneurial activity in students, therefore they factored the university into their structural model of entrepreneurial intent. Hence, the university would fall under the "perceived support" factor, which is part of the contextual factors.

The following were discovered by Singh (2007) as some of the factors that could enhance entrepreneurship impulse in an individual. Thus, they are predictors of entrepreneurship and entrepreneurial intention. They are:

Family occupation: If a family had a tradition of entrepreneurship, later generations also follow the steps of ancestors. In particular, research indicates that children of the self-employed are more likely to become self-employed than those whose parents are not self-employed. One reason for this is that

self-employed parents often convey entrepreneurial roles to their children and increase their self-efficacy levels themselves (Hout & Rosen, 2000).

Education: The type and level of education has correlation with entrepreneurial spirit. For many years, most educated people preferred politics and a government job as it symbolizes power, comfort, social status and guarantees more money. However, that trend is slowly changing. Education enables one to understand the outside world and equips them with the basic knowledge and skills to deal with day-to-day problems. Studies reveal that individuals with lower educational levels are less likely to be motivated to become entrepreneurs, and are often less successful than those with higher education levels (Lofstrom and Wang, 2007).

Gender: Several studies observe that men are commonly involved in entrepreneurship than women. Most entrepreneurial men are often in the age group 25 – 35 years and women in the age bracket of 30–45 years.

Motivation: Another variable in the model is the individual's motivation to become an entrepreneur or launch a new venture. This step includes the factors that influence a person's effort toward attaining entrepreneurial goals and initiating a new business (Baron & Henry, 2011). For example, Rauch and Frese (2000) find that people are motivated to become entrepreneurs because they have a desire for economic wealth and high needs for achievement or autonomy.

Working history: Entrepreneurs quite often have some working experience as a salaried employee in the field of their venture. It always helps to learn a little about business before putting your money in. Other studies reveal that educational level, previous experience, and socioeconomic status are related to a person's motivation (Rauch & Frese, 2000). In line with Ajzen (2005), constructs such as personality, social and societal factors are now included in the entrepreneurial intention model. These three are now the major variables and constructs that dictate, direct and influence entrepreneurial intention.

Personality factors: Some personality traits that determine entrepreneurial intention are innovativeness, optimism, competitiveness and risk-taking propensity. Innovation is the process of turning ideas and knowledge into new value through creative thinking. Optimism is the ability to always look at things and events from a very good perspective. Seligman (2006) defines an optimist as someone who looks at the bright side of things and expects positive and desirable events happening in the future. Positive emotions are necessary for the success of any entrepreneurial activity. Competitiveness is associated with the need for achievement, while risk-taking propensity refers to ability or tendency to take or avoid risks. Entrepreneurship has always been associated with risk-taking. Research findings also provide evidence that individuals with a greater risk acceptance had stronger levels of entrepreneurial intention (Hmieleski & Corbett, 2006).

Social factors: The social factors that help in influencing entrepreneurial impulse are the immediate social dynamics of entrepreneurship that students are exposed to. These include experiential activity—and participation in entrepreneurship education—such as those gained through living in different cities, traveling outside home country, trying new and different foods, meeting new people from different cultures, and exposure to foreign media books, movies, music and thus to new perspectives. One's immediate surroundings significantly influence innovation and creativity (Seelig, 2012). Entrepreneurship education is the development and improvement of entrepreneurial inspiration, awareness, knowledge and skills that are much needed to establish and run a business venture. Socialization process of children, exposure to entrepreneurship experience in the family business constitutes important intergenerational influence on entrepreneurship intention (Carr & Sequeira, 2007). McElwee and Al-Riyami (2003) also find that children who grew up with entrepreneur parents had a greater tendency to choose a self-employed career.

Societal factors: Societal factors are those factors prevalent in the society where the would-be entrepreneur lived. In case of students, these factors will include their perceptions of the economic and political conditions of their city, state or country. Both existing and anticipated economic and political infrastructure of a country will greatly influence the intention and market-oriented behaviours of an entrepreneur. Corruption, insecurity of lives and property, economic instability and high unemployment rate of a country may negatively affect desire to start, own and run a business. It seems that a positive attitude of society toward entrepreneurship motivates people to start a new venture; entrepreneurship cannot prosper in a hostile society.

Duijn (2013) is of the opinion that intentions are the best predictors of entrepreneurship, although it is difficult to fully understand the reasons behind an entrepreneurial intention. Despite the significance of this construct, entrepreneurial intention of most students in tertiary institutions in the country is at a very low point. There is thus an urgent need to conduct a study on predictors of entrepreneurial intention among college students.

Research Question

To aid the study, one research question was asked:

1. What are the predictors of entrepreneurial intention among students in a university?

Research Hypotheses

Also, two research hypotheses were raised and tested:

1. There is no significant relationship between predictors and entrepreneurial intention of undergraduates in a Nigerian university.

2. Gender, personality trait, social factors, societal factors and family occupations will not significantly predict entrepreneurial intention of students in a Nigerian university.

Methodology

The study adopted the descriptive design to seek information about the innovation level of students in university and their entrepreneurial intention. The sample consisted of 130 randomly selected students drawn from the Lagos State University. A 40-item questionnaire titled “Predictors of Entrepreneurial Intention Inventory” (PEII) which consisted of five sections: A, B, C, D, E was designed for data collection, and personally administered on participants individually.

Section A sought information on students’ demographic data, section B sought students’ level of innovation, section C sought information on their personality factor, section D sought information on their social factor, while section E sought information on the societal factor. The reliability of the instrument was tested using Cronbach’s Alpha and its combined reliability coefficient stood at 0.78. The data were analyzed using percentage and multiple-regression analysis to test the hypotheses at 0.05 level of significance.

Results

Question: What are the predictors of entrepreneurial innovation among students in a university?

Table 1: Predictors of entrepreneurial innovation among students

		Freq.	%	Cumulative %
Valid	Personality trait	47	36.2	36.2
	Social factor	26	20.0	56.2
	Family occupation	24	18.4	74.6
	Societal factor	20	15.4	90.0
	Gender	13	10.0	100.0
	Total	130	100.0	

From table 1, 36.2% of respondents (47 students) supported personality factor as one of the predictors, 20.0% of respondents (26 students) supported social factor, 18.4 % (24 students) indicated family occupation, 15.4% (20) supported societal factor, while only 10% of respondents (13) saw gender as a predictor.

- Hypothesis 1: There is no significant relationship between predictors and entrepreneurial intention of students in a Nigerian university

Table 2: Model summary of predictors

Model	R	R square	Adjusted R-square	Std. of error
1	.981 ^a	.962	.960	2.232

a. Predictors: (constant), family occupation, gender, societal factor, personality trait, social factor

From table 2 above, it was observed that the R stood at 0.981. This implies a strong positive correlation between the variables. Also, the R^2 is 0.962, which is the proportion of variation in the dependent variable and it explains 96.2% of the variability of the dependent variable—entrepreneurial intention of students.

Table 3: ANOVA of predictors of entrepreneurial intention

Model		Sum of squares	df	Mean square	F	Sig.
1	Regression	15482.709	5	3096.542	621.523	.000 ^b
	Residual	617.791	124	4.982		
	Total	16100.500	129			

a. Dependent variable: entrepreneurial intention; b. Predictors: (constant), family occupation, gender, societal factor, personality trait, social factor

Table 3 above shows that the independent variable significantly predict the dependent variable, $F(5, 124) = 621.523, p < 0.05$, and that the regression model is a good fit. The correlation is significant at 0.05 level, therefore, the null-hypothesis is not accepted. Hence, there is significant relationship between predictors and entrepreneurial intention of undergraduates.

- Hypothesis 2. Gender, personality trait, social factor, societal factor and family occupation will not significantly predict entrepreneurial intention of students in a Nigerian university

Table 4: Coefficients of entrepreneurial intention of students

Model B	Unstandardized coefficients		Standardized coefficients	T	Sig.	95.0% Confidence interval for B		
	Std. err.	Beta				Lower bound	Upper bound	
1	(Constant)	62.813	2.345		26.780	.000	58.170	67.455
	Gender	.637	.402	.029	1.584	.116	-.159	1.432
	Personality trait	.228	.054	.199	4.252	.000	.122	.334
	Social factor	.918	.067	.661	13.665	.000	.785	1.051
	Societal factor	.674	.103	.183	6.570	.000	.471	.877
	Family occupation	.492	.242	.038	2.036	.044	.014	.970

a. Dependent variable: Entrepreneurial intention

From table 4 above, the predictors of entrepreneurial intention of college students are: gender, personality trait, social factor, societal factor and family occupation. But the result shows that personality trait, social factor and societal factors are statistically significant and are the strongest predictors of entrepreneurial intention of Nigerian undergraduates. Their correlations were significant at 0.05 level, therefore, the null-hypothesis was not accepted. Hence, these three independent variables were the main predictors of entrepreneurial intention of students.

Discussion

This study investigated predictors of entrepreneurial intention among college students in Nigeria and its counselling implications. The findings reveal that predictors of entrepreneurial intention are gender, personality trait, social factor, societal factor and family occupation. This is in agreement with the findings of Ozaralli and Rivenburgh (2016) that an array of factors are potentially relevant to the formulation (or not) of entrepreneurial intentions. Factors such as personality trait, family and friends, experiences and education, political and economic conditions, and perceived motivations and obstacles.

The first hypothesis that there is no significant relationship between predictors and entrepreneurial intention of students is not accepted. This implies a strong and significant relationship between predictors and entrepreneurial intention of students. This finding agrees with the position of Rauch and Frese (2000) as well as Hmieleski and Corbett (2006), that competitiveness is associated with the need for achievement, which has a positive relationship with venture performance. Also, risk-taking propensity refers to ability or tendency to take or avoid risks. Entrepreneurship has always been associated with risk-taking. Research findings also provide evidence that individuals with a greater risk acceptance had stronger levels of entrepreneurial intention

Further, the second hypothesis that gender, personality trait, social factor, societal factor and family occupation will not significantly predict entrepreneurial intention of students is also not accepted. This implies that personality trait, social and societal factor are the crucial predictors of entrepreneurial intention of students in a Nigerian university. This finding is in line with the position of Ajzen (2005) that constructs such as personality, social and societal factors are now included in the entrepreneurial intention model. These three are now the major variables and constructs that dictate, direct and influence entrepreneurial intention.

Conclusion

Findings from this study show that entrepreneurial intention, being a mindset, an opinion, attitude or behaviour, usually shoot from several factors. These factors enhance entrepreneurial intention and equally serve as its predictors. These variables usually predict, foresee and envisage the direction and tendency for entrepreneurial intention. Several literatures reveal that age, sex, previous experience, influence of role models, personality trait and contextual factor that includes education and environment, have tendency to predict entrepreneurial intention.

Generally, intention stems from intentionality, a state of mind directing a person's attention toward a specific goal in order to achieve something. The determination to create a firm not only depends on knowing how to do it and feeling able; there are other important predictors that also have to be taken into account. The intention to be an entrepreneur would be the single best predictor of actual firm-creation behaviour. These predictors still depend on the type of society where the firm will be domiciled. Some personal traits, social and societal influences usually shape the proclivity to start a business now or in the future. To this end, educational institutions should focus on these predictors and design various programmes that will stimulate this on students in tertiary institutions.

Counsellors have enormous task of making sure these factors or elements are imbibed in Nigerian students. There is need for total reorientation and encouragement to go for entrepreneurship instead of looking for non-existent white collar jobs. Further, higher institutions should introduce entrepreneurship classes to all students and expose them to idea-incubation programmes. They can also organize workshops, seminar and training on entrepreneurship for students. This will assist in fostering predictors of entrepreneurial intentions on students in higher institutions.

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