

Demographic Factors and Entrepreneurial Intention of Undergraduates in Rivers State

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Abstract

The study examines demographic factors and entrepreneurial intention of undergraduates in Rivers State. The survey method was adopted for the study. One thousand two hundred and thirty-four (1,234) final year students from the three universities in Rivers State (University of Port Harcourt, Rivers State University and Ignatius Ajuru University of Education), were purposively selected for the study. A well-structured questionnaire was administered to the respondents to elicit responses on the study variables. The Spearman Rank Order Correlation Coefficient was employed to test the stated hypotheses at a 0.05 level of significance. Of the total copies of the questionnaire distributed, only 1,102 were usable (i.e. properly filled, without mutilations and returned). The outcome of the analysis revealed that there is a significant positive relationship between demographic factors and entrepreneurial intention of undergraduates in Rivers State. Specifically, the dimensions of demographic factors (education and social norms) significantly and positively influences entrepreneurial intention. Consequently, it was concluded that demographic factors like education and social norms significantly predicts entrepreneurial intention amongst undergraduates in Rivers state. That is, undergraduates who receive quality education, especially as it has to do with entrepreneurship, are more likely to want to establish a new business than their counterparts who do not have any form of education that provides skills and knowledge about business or stimulates entrepreneurial intent. Also, undergraduates who are surrounded by those who encourage and mount pressure on them to venture into business are more likely to become entrepreneurs. Therefore, to stimulate entrepreneurial intention amongst students, we recommend that: policy makers should ensure that their entrepreneurship programmes should incorporate course elements that will not just educate students about entrepreneurship but for entrepreneurship, which can be achieved through real-time experiences and simulations; and government and tertiary institutions should incorporate bringing role models who in themselves are successful in the business world, into their entrepreneurship programmes, as a way of inspiring young students into new venture creation.

Keywords: Demographic Factors, Entrepreneurial Intention, Social Norms

INTRODUCTION

A substantial amount of effort by entrepreneurship researchers has been dedicated to understanding and predicting the factors that elicit the intention to venture into business (Kautonen *et al.*, 2015; Krueger *et al.*, 2000; Linan & Fayolle, 2015). Entrepreneurship intention is regarded as the first step to establishing a business (Kautonen *et al.*, 2015; Linan & Fayolle, 2015). In other words, it is the intention to start a business that precedes actually taking the necessary actions that will result in new venture creation. Entrepreneurial intention as the name suggests, refers to the intention to start a new business. Moriano *et al.* (2012:165) describes it as, “the conscious state of mind that precedes action and directs attention toward entrepreneurial behaviours such as starting a new business and becoming an entrepreneurs.”

While there has been broad base studies regarding the factors that determines entrepreneurial intentions at the early stage to include personal, social and cultural environments (Ozaralli, 2016), this study is interested in specifically ascertaining whether demographic factors such as gender and social norms predict entrepreneurial intentions. An ample enough studies have been undertaken in this regard, however most were undertaken in more advanced climes. Of the few studies undertaken in less advanced climes like Nigeria, there appears to be none that have assessed university students, specifically those in Rivers State. Consequently, this study seeks to examine the nexus between demographic factors and entrepreneurial intention of undergraduates in Rivers State.

LITERATURE REVIEW

Education and Entrepreneurial Intention

Several researchers have argued for quality entrepreneurship education as a *sin qua non* for starting and managing a business successfully (e.g. Amah & Hettey, 2019; De Jorge-Moreno *et al.*, 2012; Lee *et al.*, 2005; Nikou *et al.*, 2019; Pruett *et al.*, 2009; Rauch & Frese, 2000; Türker & Selçuk, 2009). They argued that through quality entrepreneurship education, individuals are inspired, provided with skills and knowledge as well as the awareness to found companies and effectively manage them. Interestingly, not all entrepreneurship

scholars are in agreement with this thought (see Brice & Nelson, 2008; Fitzsimmons & Douglas, 2010; Laukkanen, 2000). These authors argue that highly educated individuals are less likely to go into entrepreneurship, because they expect instant high earnings. This is not unconnected to the fact that business is held in a very low esteem due to the initial disparaging comments of some intellectuals like Aristotle, Adam Smith, Napoleon, etc. about buying and selling being “unnatural” and “inglorious” money making, Koontz et al. (1980 as cited in Onouha, 2008).

They further argued that even when people are thought about business in schools, the exposure to the numerous precautions and analysis required before making a business move could prove discouraging rather than inspiring, hence the negative impact of education on the intention to start a business. It is on this premise that we presuppose that:

H₀₁: *Education does not have any significant relationship with entrepreneurial intention.*

Social Norms and Entrepreneurial Intention

Social norms refers to one’s perception or belief about whether those that matter expects them to found a business or not (Meek *et al.*, 2010). It is argued that this perception largely influences entrepreneurial intentions and behaviours. According to de Vita *et al.* (2014), cultural values shape societal roles and stereotypes in terms of occupations considered appropriate for men and/or women. Yet again, scholars appear to be on the divide on the nexus between social norms and entrepreneurial intentions. Some research outcomes reveal a substantial positive impact of social norms on entrepreneurial intention (e.g. Iakovleva & Kolvereid, 2009; Kautonen *et al.*, 2010; Kolvereid & Isaken, 2006; Leffel & Darling, 2009). Others found a weak and mostly no significant nexus between social norms and entrepreneurial intention (e.g. Linan & Chen, 2009; Linan & Santos, 2007; Shook & Bratianu, 2010). This study intends to ascertain the interplay between these variables in developing climes like Nigeria, hence we hypothesize that:

H₀₂: *No significant relationship exist between social norms and entrepreneurial intention.*

THEORETICAL FRAMEWORK

Theory of Planned Behaviour

The theory of planned behaviour (TPB), which is an offshoot of the theory of reasoned action, undergirds this study. The theory was propounded by Icek Ajzen (1991). Entrepreneurship researchers have relied on this theory to explain and predict behaviours. The theory provides that people decide on their own volition to behave in a certain way, given certain factors. The factors said to determine behavioural intentions include attitudes toward behaviour, subjective norms, and perceived behavioural control. Attitudes toward behaviour motivate one's disposition toward behaving in a certain way. Subjective norms deals with attributes of a person's social environment and situation, while perceived behavioural control handles the differences in one's ability to control the performance of a behaviour (Ajzen, 1991; Nikou et al., 2019).

Entrepreneurial intention is seen as a strong predictor of planned behaviour toward new venture creation (Autio *et al.*, 2001; Krueger *et al.*, 2000; Lee & Wong, 2004). The argument is that the intention to found a business is not accidental or instinctive, rather it is planned over a period of time. In other words, the intention to become an entrepreneur is an intentional decision that would have been nurtured and thought over before actual behaviour will take place, influenced by certain factors, which include attitudes, subjective norms, and perceived behavioural control (Autio *et al.*, 2001).

Methodology

The survey method was adopted for the study. One thousand two hundred and thirty-four (1,234) final year students from the three universities in Rivers State (University of Port Harcourt, Rivers State University and Ignatius Ajuru University of Education), were purposively selected for the study. A well-structured questionnaire was* administered to the respondents to elicit responses on the study variables. The predictor variable is demographic factors and its dimensions are education and social norms. Social norms was measured using a five-point likert-type scale with three items (Cronbach Alpha = .765), where 1 stands or “strongly disagree” and 5 stands for “strongly agree.” The items were adopted from the work of Liñán & Chen (2009): “*My closest family members think I should start my own business,*” “*My friends and classmates think I should start my own business,*” “*People who are important to me think I should start my own business.*” Education was measured by the entrepreneurship education four-item scale developed by Walter and Block (2016) (e.g. “My school education helped me develop my sense of initiative a sort of entrepreneurial attitude” and “My school education made me interested to become an entrepreneur”). On the other hand, the dependent variable is entrepreneurial intention which was measured through a five-point likert-type scale with five items (Cronbach Alpha = .843), where 1 stands or “strongly disagree” and 5 stands for “strongly agree.” The items were adopted from the work of Shneor and Jensson (2014): “*My professional goal is to become an entrepreneur,*” “*I am determined to create a firm in the future,*” “*I have the firm intention to start a firm someday,*” “*I intend to start a firm within five years after graduation,*” and “*I prefer to be self-employed.*” With respect to gender, the respondents were split into groups of male and female in order to make comparison. The Spearman Rank Order Correlation Coefficient was employed to test the stated hypotheses at a 0.05 level of significance. Of the total copies of the questionnaire distributed, only 1, 102 were usable (i.e. properly filled, without mutilations and returned).

RESULTS AND DISCUSSION

This section covers the testing of the stated null hypotheses, using Spearman’s rank order correlation coefficient statistical tool and the p-values obtained.

Test of Hypotheses

Table 1: Education and Entrepreneurial Intention (H0₁)

			Education	Entrepreneurial Intention
Spearman's rho	Education	Correlation Coefficient	1.000	.731**
		Sig. (2-tailed)	.	.000
		N	1102	1102
	Entrepreneurial Intention	Correlation Coefficient	.731**	1.000
		Sig. (2-tailed)	.000	.
		N	1102	1102
**. Correlation is significant at the 0.05 level (2-tailed).				

SPSS output, Version 20 – Field Survey, 2021

Table 1 discloses that a positive correlation between education and entrepreneurial intention ($\rho = .731, p = .000 < 0.05$). Thus, the null hypothesis (H0₁) is not accepted. Instead, the alternative hypothesis is accepted; denoting that *there is a significant positive relationship between education and entrepreneurial intention (HA₁)*.

Table 2: Social Norms and Entrepreneurial Intention (H0₁)

			Social Norms	Entrepreneurial Intention
Spearman's rho	Social Norms	Correlation Coefficient	1.000	.701**
		Sig. (2-tailed)	.	.000
		N	1102	1102
	Entrepreneurial Intention	Correlation Coefficient	.701**	1.000
		Sig. (2-tailed)	.000	.
		N	1102	1102
**. Correlation is significant at the 0.05 level (2-tailed).				

SPSS output, Version 20 – Field Survey, 2021

Table 1 discloses that a positive correlation between social norms and entrepreneurial intention ($\rho = .701, p = .000 < 0.05$). Thus, the null hypothesis (H0₃) is not accepted. Instead, the alternative hypothesis is accepted; denoting that *there is a significant positive relationship between social norms and entrepreneurial intention (HA₂)*.

DISCUSSION OF FINDINGS

Education and Entrepreneurial Intention

The results from the analysis revealed a significant positive nexus amid education and entrepreneurial intention of undergraduates in Rivers State. This outcomes aligns with a plethora of studies (e.g. De

Jorge-Moreno *et al.*, 2012; Lee *et al.*, 2005; Pruett *et al.*, 2009; Rauch & Frese, 2000; Türker & Selçuk, 2009) that emphasized the significance of entrepreneurial education in nurturing the entrepreneurial spirit in individuals who could start new ventures. For instance, Pruett *et al.* (2009) averred that one of the main barriers for entrepreneurial intention among students is the lack of knowledge in management, business, accountancy and other administrative topics. And concluded that the void can be filled through quality entrepreneurship education. Also, Rauch and Frese (2000) posited that entrepreneurial education boosts peoples' creativity, flexibility and ability to respond to varying circumstances, which breeds innovativeness. Similarly, Türker and Selçuk (2009:143) asserted that, "...getting an adequate education may foster entrepreneurial intention of a person".

Social Norms and Entrepreneurial Intention

Furthermore, the result of the study showed that a significant positive nexus exists between social norms and entrepreneurial intention among undergraduates in Rivers State. This also corroborates with the outcome of several other studies (e.g. de Vita *et al.*, 2014; Iakovleva & Kolvereid, 2009; Kautonen *et al.*, 2010; Kolvereid & Isaken, 2006; Leffel & Darling, 2009; Meek *et al.*, 2010). In the views of Meek *et al.* (2010), social norms is an unwritten rules of conduct within a group, culturally embedded and they indirectly specify desired behaviours. In the same vein, Kautonen *et al.* (2010) argued that these attributes stand for the perceived social pressure to perform or not to perform a certain behavior, like starting a new business. The outcome of the study negates other scholarly findings that social norms play little or no role in determining an individual's inclination to starting a business (e.g. Linan & Chen, 2009; Linan & Santos, 2007; Shook & Bratianu, 2010).

CONCLUSION AND RECOMMENDATIONS

Consequent upon the outcome of the study and the discussion therefrom, this study concludes that demographic factors like education and social norms significantly predicts entrepreneurial intention amongst undergraduates in Rivers state. That is, undergraduates who receive quality education, especially as it has to

do with entrepreneurship, are more likely to want to establish a new business than their counterparts who do not have any form of education that provides skills and knowledge about business or stimulates entrepreneurial intent. Also, undergraduates who are surrounded by those who encourage and mount pressure on them to venture into business are more likely to become entrepreneurs.

Therefore, to stimulate entrepreneurial intention amongst students, we recommend that:

- i. Policy makers should ensure that their entrepreneurship programmes should incorporate course elements that will not just educate students about entrepreneurship but for entrepreneurship, which can be achieved through real-time experiences and simulations.
- ii. Government and tertiary institutions should incorporate bringing role models who in themselves are successful in the business world, into their entrepreneurship programmes, as a way of inspiring young students into new venture creation.

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