Impact of Entrepreneurial Involvement and Background on Entrepreneurial Intention of Undergraduates in Selected Universities in Southwest Nigeria

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Abstract
In recent times, due to limited job employment opportunities, low income, economic downturn of some developing economies amongst others, the desire to own a business or become self-employed has increased tremendously. Entrepreneurship focuses on the generation of an idea into a profitable venture. But the Intentions of such individuals are backed up with some notable orientations such as entrepreneurship education awareness, family background, environment, educational background and so on. This study examines the implication of entrepreneurship orientation on entrepreneurial involvement and background on one hand and how family background influence entrepreneurial intention on the other hand. The survey research design was adopted for the study under investigation. Students of some selected tertiary institutions in Oyo State (Lead City University and First Technical University, Ibadan) were randomly selected to form the population of this study. A randomized sampling method was adopted in choosing the population size for the study. 90 students were randomly selected from the First Technical University, Ibadan and 90 students from the Lead City University, Ibadan. Primary method of data collected was adopted for this study through the administration of structured questionnaire. Cronbach Alpha coefficients ranging from 0.781 to 0.892 was used to validate the questionnaire. The study also made use of relevant information from articles, journals and various online resources. Results from the study indicated that entrepreneurial orientation has a positive significant effect on entrepreneurial orientation of undergraduates and that significant relationship exists between family background and entrepreneurial intentions of undergraduate students. The study made recommendations to the university managements, university undergraduate students, young entrepreneurs, entrepreneurship educators and trainers, university based business incubators and the society at large.

Keywords: Impact; Relationship; Entrepreneurship; Entrepreneurial orientation; Entrepreneurial intention; Undergraduates.

1. Introduction

When times are hard, as poverty rampages the land, to the extent that even university graduates cannot find jobs, it is often said that self-employment through entrepreneurship is the best solution (Dell, 2008; Dohse and Walter, 2010). Thus, to ensure entrepreneurship, the government of several countries has, at one time or the other, introduced entrepreneurship programmes to encourage and develop the acquisition of skills and creativity to foster youth self-reliance and self-independence. In Nigeria for example, unemployment has become an issue where available jobs are insufficient to cater for the rising population of graduates that are turned out from the higher institutions each year. However, several of these graduates have resulted into providing products and services such as manufacturing of end user production, wares making (like clothing and shoes), educational services, food processing, entertainment and so on to customers (Khan et al., 2011). With this, some have become entrepreneurs which they did not conceive while leaving higher institutions.

Intention in entrepreneurship explains why certain individuals start own business before deciding on the type of business to venture in or opportunity appears. This intention serves as an influencing mediating factor between entrepreneurial action and exogenous variables such as demographics, cultural, traits, skills, social and financial support (Krueger, 2007). Nevertheless, instead of birthing entrepreneurs through the process as described earlier, while in school, students can be orientated toward creating a burning desire for intentional entrepreneurship. Orientating students while in school will awaken the entrepreneurial spirit within them and instead of waiting for a white-collar job or government job after schooling, the skills acquired will be put to use to provide lacking goods and service in the community hence, serving as not only a such path to escaping poverty but providing jobs for some and expanding the economy. The orientation on entrepreneurship students are exposed to in school will be fostered depending on the family background of the student to drive individuals who are in school towards entrepreneurship intentionally.

Despite the investment of the government and other development stakeholders on entrepreneurship education, the orientation of many undergraduates is still towards paid employment. This situation is undesirable in the face of
sparse employment opportunities in the labour market. Many studies have been advance to determine the critical factors influencing the decision of youths to be self-employed. Several authors have expressed that family background such as parental entrepreneurship strongly determines self-career. This set of empirical studies uncovered an inconsistent relationship between the occupational status of the family and the likelihood of the children becoming future entrepreneurs, to mention but a few realised a positive relationship while, Athanasios and Panikkos (2011) found a weak correlation, in Cyprus, however, studies such as Aykut and Belgin (2011) and Sharma (2014) observed that there is no significant impact of family background on individual entrepreneurship intention. But only a few explored in impact of entrepreneurial involvement and background on entrepreneurial intention of undergraduates in Nigeria Akinbode et al. (2018) and Carlo et al. (2018). Most importantly, evidences in literature on the opinion of scholars on the influence of impact of entrepreneurial involvement and background on entrepreneurial intention of undergraduates is at variance Studies such as Drennan et al. (2005), Basu and Virick (2008), Patnaik and Pradhan (2010), Nsikak-Abasi and Essien (2013), Prabhu and Thomas (2014) Lindquist et al. (2015). Given this background, this study aims at adding to the body of the literature by providing information on the influence of entrepreneurial involvement and background on entrepreneurial intentions of undergraduate students in Nigeria.

Therefore, this study examines the implication of entrepreneurial involvement and background on entrepreneurial intention on one hand and how family background influence entrepreneurial intention on the other hand. The rest of the paper is structured as follows; the next section gives a brief review of works that had been done on the subject matter while the methodology applied to achieve the objectives are presented in section three. In sections four and five, the results and discussion arising from the findings as well as the conclusion drawn are presented.

1.1. Hypothesis of the Study

H01: Entrepreneurial orientation has no significant impact on entrepreneurial intention of undergraduates

H02: Family background has no significant impact on entrepreneurial intention of undergraduates

2. Theoretical Framework

Theories that help explain what affects entrepreneurial intentions are known to be the self-efficacy theory, theory of planned behaviour amongst others. Self – Efficacy Theory explains that self-evaluation in terms of capacity to perform a specific task. The theory was built upon cognitive processes of future expectations that lead to exhibition of a particular behaviour. The theory assumes that psychological procedures are the basis for individual creativity. This theory has been employed largely to assess entrepreneurial intention. Thus, individual intending to carry out entrepreneurial actions must have taken into consideration his/her self – efficacy. On the other hand, the theory of Planned Behaviour” (TPB) proposes a model used in determining how human actions are guided. That is, the theory predicts circumstances under which individuals behave in a manner intentionally. As specified by Ajzen (1991), intention is influenced by three factors such as; individual’s attitude toward specific behaviours, subjective norms and perceived behavioural control. Thus, these theories have their expressions in empirical studies.

This study is built on the theoretical perspective of the theory of planned behaviour (Ajzen, 1991). The theory explains reasons why individual intends or exhibits one given behaviour at a point in time. In other words, the theory of planned behaviour predicts and explain a wide range of behaviours and intentions which includes intention towards entrepreneurship and self-employment of individuals. The Theory of Planned Behaviour posits that behavioural realization depends on both motivation and perceived behavioural control (PBC). The PBC plays a vital role in explaining the theory of planned behaviour. Perceived behavioural control refers to people’s perception of the ease or difficulty of performing the behaviour of interest Ajzen and Fishbein (1980). The theory of planned behaviour places the paradigm of perceived behavioural control within a more general framework of the relations among beliefs, attitudes, intentions, and behaviour Ajzen and Fishbein (1980). Overtime, scholars in the entrepreneurship field has utilized the theory in explaining the reasons why people decides to engage in entrepreneurial activities. Anderson (1974); Kuhl (1985); Rotter (1966), argued that a given action depends on both perceived behaviour control and perceive locus of control which act as a stimulator for a given action.
3. Literature Review

Virginia et al. (2018), conducted a study on the analytic thinking of emotional competencies and their influence in shaping university students’ entrepreneurial intentions. The study utilized an extended model of Ajzen (1991) Theory of Planned Behaviour, and analyses the moderating role of entrepreneurial education and intention of Spanish university students engaged in a compulsory entrepreneurship course. Results from the study indicated that entrepreneurship education by university students is favoured by the development of their emotional competencies.

Carr and Sequeira (2007); Akinbode et al. (2018); and Carlo et al. (2018) also investigated the impact of family business background on entrepreneurial intentions of University students. The results revealed significant effects of prior family business background on entrepreneurial intention, through the mediation variables of entrepreneurial self-efficacy, desirability, feasibility and attitudes towards business start-ups. Results also indicated that exposure of a student to a prior family business serves as an important intergenerational influence on entrepreneurial intent.

In another vein, (Herman, 2019), analysed the entrepreneurial intentions of the Romanian engineering students and their main determinants in order to identify some ways through which the entrepreneurial behaviour of potential entrepreneurs can be stimulated and the direct effect of entrepreneurship education, entrepreneurial family background and entrepreneurial personality traits on students’ entrepreneurial intentions. Results from the study indicated that student’s participation in entrepreneurship education and training does not significantly affect their entrepreneurial intentions. The study however emphasized on the fact that the need to improve the effectiveness of entrepreneurship education in the university curriculum in order to stimulate high growth technology ventures of the future engineers.

For example, Ekpe and Mat (2012) examined how social environment moderated in the relationship between entrepreneurial orientation and entrepreneurial intentions. The study was carried out on 120 final year undergraduate female students of three University Business Schools in the North, East and West regions of Nigeria. Both descriptive statistics and hierarchical regression were used to analyse the data and it was gathered that entrepreneurial orientation, in the form of self-efficacy and education, had a significant positive effect on the intention toward entrepreneurship among these students in Nigeria. Also, it was indicated that friends’ agreement moderated the relationship between entrepreneurial orientation (in the form of education) and entrepreneurial intentions among the female students.

The impact of Socio-cultural Business Environment (such as Education, Religion and Family background) on Entrepreneurial intention was investigated by Abdullahi and Zainol (2013). Although the authors built their study on the review of related literature, it was shown that the Education, Religion and Family background are very important factors in Entrepreneurial intention and have positively and significant impact on Entrepreneurial intention. Howbeit, an empirical study was recommended in order to establish empirical evidence to further consolidate the findings of this work.

It was established that Family background plays a fundamental role in building the minds of individuals towards intentional entrepreneurship. In the study of Zakaria et al. (2014), families that are engaged in entrepreneurial activities are likely to develop in their wards with attitude that foster entrepreneurship. In their study, it was discovered that age, marital status, place of domicile, parental educational background of students, agricultural experience and risks tolerance are significant influence for students’ intention to explore the agribusiness.

On the other hand, the study by Shittu and Dosunmu (2014), which sought to test the hypothesis that family background has significant influence on the entrepreneurial intention among fresh graduates in Nigeria obtained a different result. Using a sample of 250 youths, currently serving as Nigerian Youth Service Corp member in Bayelsa state, was selected and the results reveals that neither high entrepreneurial self-efficacy nor family background is
enough to incentivise the desirable and feasible perceptions of this corp members towards intentional entrepreneurship. To understand the origin regarding entrepreneurship (such as family business background, migration background, difficult childhood, frequent relocation and financial distress) and individual's involvement, Davoudi (2016) employed a sample of 103 individuals through an online survey. The study showed that migration background and financial distress have a significant positive relationship to the dependent variable, while the others showed no significant relation.

Neneh (2014), study examined what determinants entrepreneurial intention amongst university students in Cameroon; it further investigated what motivates and what serve as obstacles to entrepreneurship as well as testing the hypothesis on whether entrepreneurial intention and selected demographic variables (gender, entrepreneurship education, and family background) have significant difference in the sampled students. The results of the analysis showed that these students possess high entrepreneurial intention owing principally to push factors such as poverty, unemployment and job security, they are forced to engage in diverse forms of entrepreneurship. Howbeit, amongst the obstacles hindering entrepreneurship amongst these students included; lack of funding, high taxes, bribery and corruption, lack of business skills, strong competitors and high labour cost. Finally, it was shown that there is a significant difference between the level of entrepreneurial intentions and gender as well as entrepreneurship education.

The submission arrived at in Nandamuri (2016) study after analysing a sampled 200 final year post-graduate students strongly be put forth that family occupational background has a highly significant influence on the entrepreneurial capabilities and orientation in youths. This is based on the test carried out on the effect of family occupational background on entrepreneurial orientation of the present day youth.

Using Federal Polytechnic (Bako et al., 2017) explored the entrepreneurial intention of Polytechnic students with a sample size of 3000 respondents. Results from the estimates of the Logistic regression model employed revealed that parental entrepreneurship skill have a direct influence students’ entrepreneurial intention as well as opportunities existing in Nigeria.

Salami (2019) investigated the possible relationship that might exist between family environments, parental socio-economic status, network, self-efficacy and proactive personality and entrepreneurial intention using 250 respondents from six secondary schools in Ibadan Metropolis, Ibadan, Oyo State, Nigeria. Salami employed the structural equation model to show that there is a significant relationship between the independent variables and entrepreneurial intention.

4. Methodology

The survey research design was adopted for the study under investigation. Students of some selected tertiary institutions in Oyo State (Lead City University and First Technical University, Ibadan) were randomly selected to form the population of this study. A randomized sampling method was adopted in choosing the population size for the study. 90 students were randomly selected from the First Technical University, Ibadan and 90 students from the Lead City University, Ibadan. Primary method of data collected was adopted for this study through the administration of structured questionnaire. Cronbach Alpha coefficients ranging from 0.781 to 0.892 was used to validate the questionnaire.

For the data analysis, descriptive and inferential statistics were adopted. Descriptive statistics such as frequency distribution, percentages, standard deviations, mean were adopted to analyse demographic characteristics of the respondents. Inferential statistics such as Pearson Correlation Coefficient analysis and linear regression analysis was used to determine the relationship between two or more variables adopted in the study with the use of Statistical Packages for Social Science (SPSS) 20.

5. Results and Discussion

The results of the first objective using descriptive analysis revealed that out of the one hundred and eighty (180) students under study, 160 respondents representing 89% of the total population agreed that they have been involved in one or more entrepreneurial training from their secondary school days while the remaining 20 respondents representing 11% were not involved in any entrepreneurial training before gaining admission into tertiary institution. An in-depth review was made among the students with current involvement any entrepreneurial activities, some through the skill acquisition programme organized by their local government officials and others through the occupation of their parents. It was revealed that only 105 students representing 58% of the total population are currently involved in entrepreneurial activities are whose parents’ are involved in some business activities and are still involved in their family business. 36 students representing 20% of the total population also revealed that although their parents’ are involved in entrepreneurial activities, they are not currently involved in any entrepreneurial activities. They further disclosed that they want to build their results before venturing into entrepreneurial activities but will later be involved in it. This showed that parents’ involvement in entrepreneurial activities has significant effect on the entrepreneurial performance of the students.

Responses of students on whether to start or continue their business after graduation showed that 121 respondents representing 67% of the total population agreed that they will start and continue their business after graduation from the University. An in-depth interview made on their intention to start a business after graduation reviewed that their participation and performance in their entrepreneurial training and inclination towards self- sustainability after graduation motivated them in starting their own business. Research further proved that entrepreneurship education is a key factor to reducing unemployment, self-sufficiency and sustainability. Entrepreneurship provides opportunities for individuals to promote their society (ies) through improved quality of
life. Entrepreneurship skill acquisition on the other hand is a way of empowering youths for adequate productivity and self-sustainability (Ogundele et al., 2012). Evans-Obinna (2016) stress out the need for quality entrepreneurship education which on the other hand improve standard of living of youths and increase job opportunities for teaming youths.

6. Test of Hypotheses

6.1. Hypothesis One

H01: Entrepreneurial orientation has no significant impact on entrepreneurial intention of undergraduates

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<tr>
<th>Table-1. Model Summary of Regression Analysis for Entrepreneurial Orientation and Entrepreneurial Intention of Undergraduates</th>
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<td>Model</td>
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a. Predictors: (Constant), Have you attended any entrepreneurship training or programme on your own?, Do you have vocational/commercializable skill?, Did you attend any entrepreneurship programme in your secondary school?.

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<th>Table-2. ANOVAa</th>
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<td>Model</td>
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<td>1 Regression</td>
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<td>Residual</td>
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a. Dependent Variable: Do you plan to continue the business after graduation?

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<th>Table-3. Coefficients of Regression Modela</th>
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<td>1 (Constant)</td>
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<td>Have you attended any entrepreneurship training or programme on your own?</td>
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<td>Did you attend any entrepreneurship programme in your secondary school?</td>
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<td>Do you have vocational/commercializable skill?</td>
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a. Dependent Variable: Do you plan to continue the business after graduation?

6.2. Testing of Hypothesis Two

H02: Family background has no significant impact on entrepreneurial intention of undergraduates

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<tr>
<th>Table-4. Model Summary of Regression Analysis of Family Background and Entrepreneurial Intention of Undergraduates</th>
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<td>Model</td>
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a. Predictors: (Constant), Is/was any of your parents involved in business?, How will you describe the economic status of your parent?

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<th>Table-5. ANOVAa</th>
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<td>1 Regression</td>
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<td>Residual</td>
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<td>Total</td>
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</table>

a. Dependent Variable: Do you plan to continue the business after graduation?

b. Predictors: (Constant), Is/was any of your parents involved in business?, How will you describe the economic status of your parent?
Results from the study also indicated that there is high correlation and a positive significant effect on entrepreneurial orientation of undergraduates. The result revealed that entrepreneurial orientation has a significant effect on entrepreneurial orientation of undergraduates. The R² value describes how a regression line fits the data often from the regression model. R² value ranges from 0 to 1 which are stated from 0% to 100%. R² values between 0.85 and 1 (85% and 100%) shows high correlation between variables and R² values at 70% (0.7) below shows negative correlation between variables (Hayes, 2019). R = 0.838 and R² = 0.724 or 72.4%, which showed that 72.4% of the variation in entrepreneurial intention is explained by entrepreneurial orientation of University undergraduates. Entrepreneurial orientation is a key and good indicator for entrepreneurship intention of undergraduates. This showed that there is significant relationship between entrepreneurial orientation and entrepreneurial intention of undergraduates. From hypothesis two, R² = 0.892 which showed that 89.2% of the variation in family background and entrepreneurial intention of undergraduates. The result showed that there is high correlation and significant relationship between family background and entrepreneurial intention of undergraduates. Crant (1996) asserted that children raised in a family that is business-oriented significantly impact the children’s intention to start their own business. Cooper et al. (1994), Sandberg and Hofer (1987) affirmed that the children of entrepreneurs learn the factors involved in starting and managing a business and consider starting a start-up as a natural career option. McElwee and Al-Riyami (2003), stressed that children who grew with entrepreneur parents have high tendency of choosing self-employment as a career option as a result of prior knowledge in vocational/commercializable skills. Also, Chaudhary (2017) revealed that self-employed family background have positive relationship with entrepreneurial intent of their children.

### 7. Discussion

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<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
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<th>Sig.</th>
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<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
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<tr>
<td>1</td>
<td>(Constant)</td>
<td>2.421</td>
<td>.279</td>
<td>15.095</td>
</tr>
<tr>
<td>How will you describe the economic status of your parent?</td>
<td>.466</td>
<td>.092</td>
<td>.560</td>
<td>7.795</td>
</tr>
<tr>
<td>Is/was any of your parents involved in business?</td>
<td>.414</td>
<td>.105</td>
<td>.457</td>
<td>9.086</td>
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</tbody>
</table>

a. Dependent Variable: Do you plan to continue the business after graduation?

### 8. Conclusion and Recommendations

The study examined the implication of entrepreneurship involvement and background on entrepreneurial intention on one hand and how family background influence entrepreneurial intention on the other hand. The result revealed that entrepreneurial orientation has a positive significant effect on entrepreneurial orientation of undergraduates which is in correlation with the previous studies of Chaudhary (2017); Crant (1996); Akinbode et al. (2018); and Shittu and Dosunmu (2014). Results from the study also indicated that there is high correlation and significant relationship between family background and entrepreneurial intention of undergraduates which is backed up by the previous studies of McElwee and Al-Riyami (2003) and the recent study of Salami (2019).

In conclusion, given the results deduced from the study, there is a positive significant relationship between family background and entrepreneurial intentions of undergraduate students.

The following recommendations were made and directed to the university managements, university undergraduate students, young entrepreneurs, entrepreneurship educators and trainers, university based business incubators and the society at large:

i. Entrepreneurship Education courses must be intensified and made compulsory for all academic students regardless of student course specification, with major focus on the developing their personal entrepreneurial competencies.

ii. Entrepreneurship Intentions must be encouraged amongst university students through provision of space, funds and technical advices for the would-be future entrepreneurs.

iii. Individuals with experience of family owned business should take advantage of the experiences gathered through the years in generating a profitable idea which can help sustain the family business.

iv. In addition to Entrepreneurship Education being included in the University’s course curriculum, vocational training should be made compulsory for all student regardless of their course of study.

v. University Based Incubators should be established by the university management in other to create a favourable entrepreneurial environment for the development of entrepreneurship on institution campuses.

vi. The government of the Nation should set up committees and bodies charged with the responsibility of improving entrepreneurship practices on institution campuses.

vii. Lastly, parents shouldn’t discourage young individuals with the intentions of entrepreneurship and self-employment but rather support them morally and physically.
Reference


